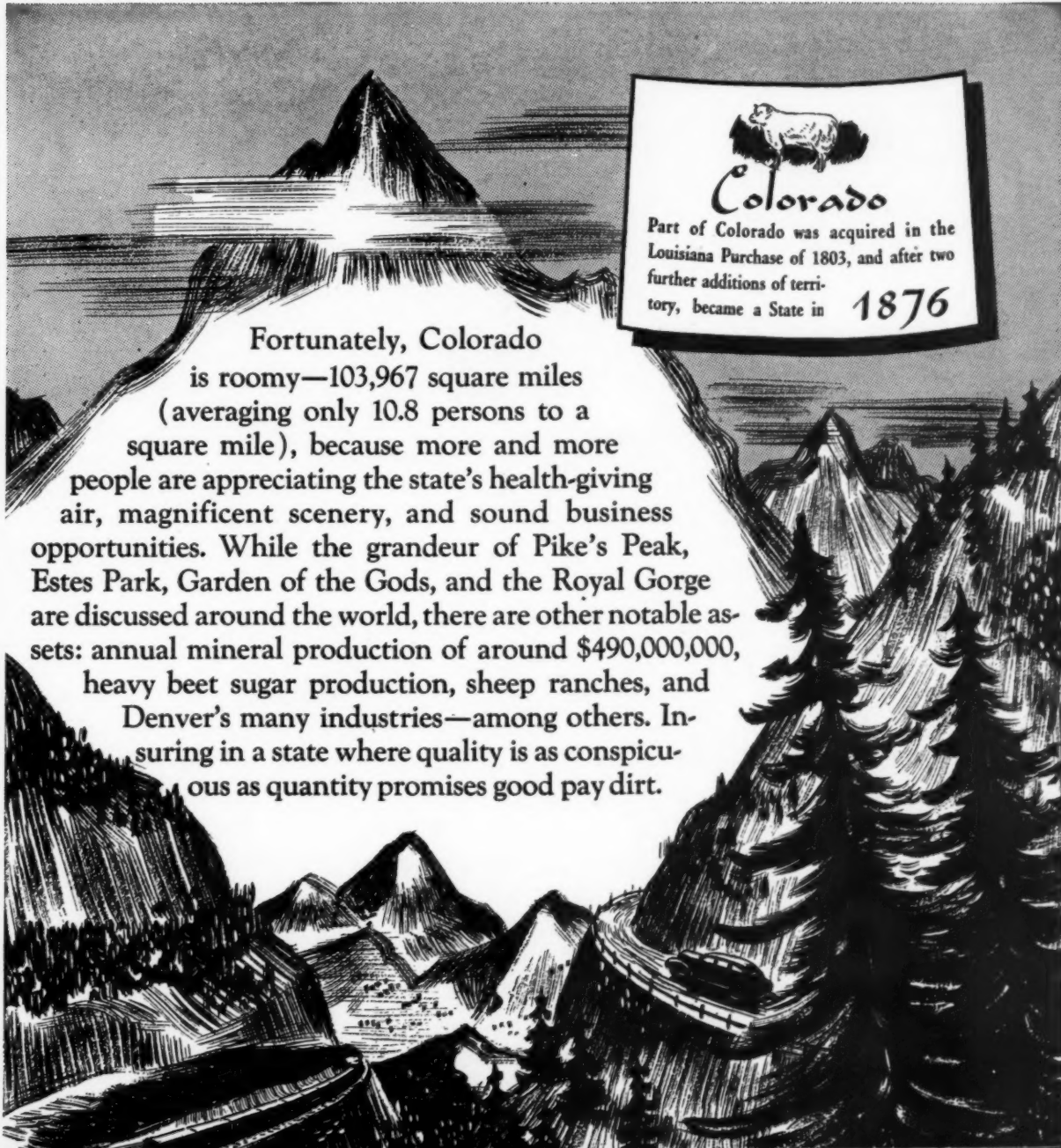


The NATIONAL UNDERWRITER



Part of Colorado was acquired in the Louisiana Purchase of 1803, and after two further additions of territory, became a State in **1876**

Fortunately, Colorado is roomy—103,967 square miles (averaging only 10.8 persons to a square mile), because more and more people are appreciating the state's health-giving air, magnificent scenery, and sound business opportunities. While the grandeur of Pike's Peak, Estes Park, Garden of the Gods, and the Royal Gorge are discussed around the world, there are other notable assets: annual mineral production of around \$490,000,000, heavy beet sugar production, sheep ranches, and Denver's many industries—among others. Insuring in a state where quality is as conspicuous as quantity promises good pay dirt.



CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.
The North River Insurance Co.
Westchester Fire Insurance Co.
The Allemannia Fire Insurance Co. of Pittsburgh

Organized 1824
Organized 1822
Organized 1837
Organized 1868

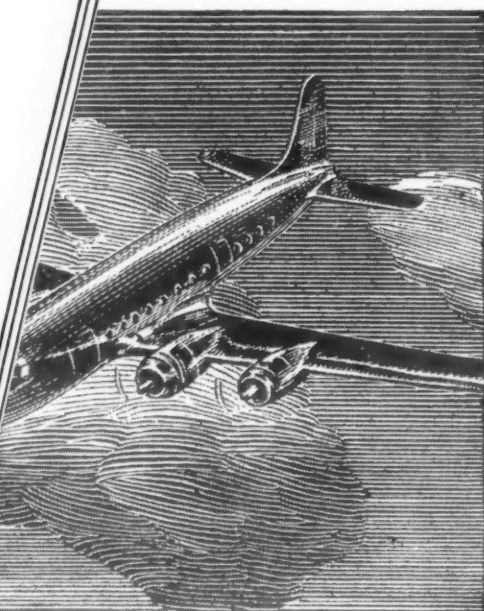
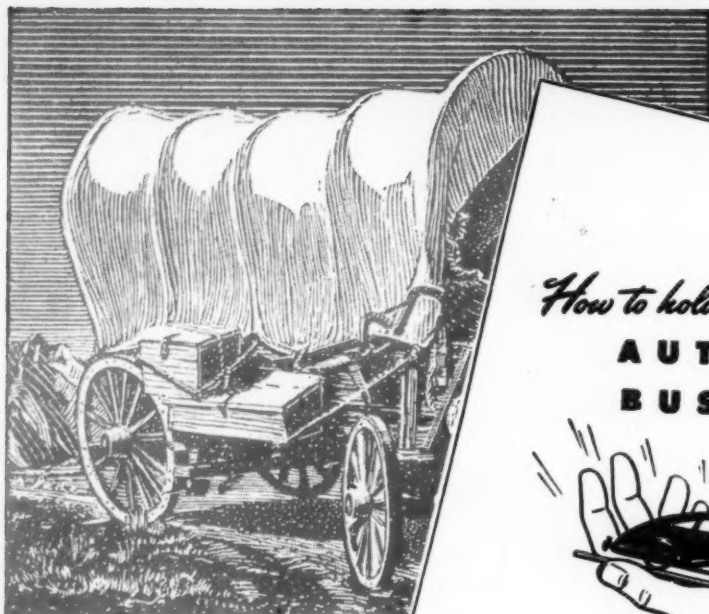
Richmond Insurance Co.
Western Assurance Co., U. S. Branch
British America Assurance Co., U. S. Branch
Southern Fire Insurance Co., Durham, N. C.

Organized 1836
Incorporated 1851
Incorporated 1833
Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.



THURSDAY, NOVEMBER 22, 1945



Still Pioneering in our 100th Year

The American Agency System faces a serious problem. Automobile insurance is a big business. In 1941, the last normal year before the war, stock insurance companies wrote nearly \$600,000,000 worth of automobile policies.

Yet when automobiles are again manufactured, agents are in danger of losing, to various automobile finance plans, a high percentage of the physical damage insurance and possibly a considerable amount of casualty coverage as well.

Fortunately, the growing interest of local banks in the financing of consumer car purchases suggests a way in which agents can meet this competition.

The booklet illustrated above, "How to Hold Your Automobile Business," presents a practical and detailed plan that may solve the agent's problem of controlling the insurance on financed cars. Bank, car buyer and agent all benefit from this plan . . . reason enough to justify its vigorous sup-

port by every local agent, if only as a matter of self interest.

The preparation of this booklet, designed to promote and protect the interests of the American Agency System, is but another evidence of the pioneering activities of this Company, and its affiliates, through a century of service. Copies are available to any agent on request.



**ROYAL INSURANCE
COMPANY LTD**

150 WILLIAM STREET • NEW YORK

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Vandalism Charges, Hostility to Broad Cover Hit by Buyer

Staley Co. Executive
Pulls No Punches in
Union League Talk

In his talk before the insurance group of the Union League Club of Chicago this week, R. S. Bass, Decatur, Ill., treasurer A. E. Staley Manufacturing Co., pulled no punches in criticizing the fire insurance companies for not reducing vandalism rates, for opposing multiple line underwriting and for failing either to support the model state regulation bill endorsed by the stock and mutual casualty companies or to suggest one of their own. He also criticized American marine underwriters as being "asleep at the switch" and asking for their share of insurance on export shipments without backing it up by modernizing their methods and granting practical requests to comply with modern conditions.

Mr. Bass also lashed out at counter-signature laws, calling them a "pain in the neck" to insurance buyers and stating that "the public is paying a lot of money for autographs."

Praises Aviation Underwriters

The aviation insurance industry, however, came in for praise from Mr. Bass. He said that in contrast to the insurance commissioners and the fire insurance companies, who apparently are so confused they cannot see any alternative except ruin to complete airtight regulation, the aviation underwriters have been trying to stay clear of any and all regulation. He quoted from the memorandum of the National Committee of Aviation Insurance Underwriters which called aviation insurance a matter of judgment underwriting and not susceptible to formula rating.

Mr. Bass said that the fire insurance business has a golden opportunity to serve its clients by making vandalism coverage a standard part of the extended coverage endorsement with a slight increase in rate. He pointed out that this coverage was sold widely at the outbreak of the war, because of the fear of saboteurs, but losses were extremely small. While rates have been reduced, he said they have not gone far enough and the greater spread obtained by making this a standard part of extended coverage would bring the additional charge down so low that no one would object to it. He also suggested that the same be done with earthquake insurance.

Multiple Line Coverage

Pointing out that the American Management Association has ably expressed the views of insurance buyers toward multiple line coverage, Mr. Bass quoted the statement of this organization that the United States is losing profitable business to foreign companies because of rates and coverages, reinsurance facilities in the United States are inadequate and risks could be spread further and costs reduced by companies writing more lines. He reviewed the work of the Diemand committee and quoted from a number of insurance newspaper stories, showing that legislation seemed well under way in other states, but was killed in New York by the opposition of powerful groups. He said that he personally,

Timetable Is Completed For Commissioners Parley

The committee for the mid-winter meeting of the National Association of Insurance Commissioners in Grand Rapids, Dec. 2-6, has released the program for committee meetings and general sessions at the Pantlind Hotel.

David F. Broderick, president of Dearborn National, who is chairman of the entertainment committee, has also released the schedule of events under the supervision of his committee. The schedule of business sessions is given herewith.

Sunday, Dec. 2

10 a.m.—Fraternal committee—Schubert room; chairman, Sullivan, Washington; agenda: N. F. C. mortality table.
2:30 p.m.—Executive committee—Schubert room; chairman, Thompson, Oregon; agenda: Reports of sub-committees.

Monday, Dec. 3

9 a.m.—Accident and health committee—Furniture Club; chairman, Parkinson, Illinois; agenda: Report of sub-committee on official guide for filing accident and health contracts; report of sub-committee for revision of standard provisions; uniform "house confinement" clause; definition of wholesale or franchise accident and health insurance.
10 a.m.—Casualty and surety sub-committee—Schubert room; chairman, Gibbs, Texas.
11 a.m.—General session—Grill room; President McCormack, Tennessee, presiding; Welcome, Forbes, Michigan commissioner; Lt. Gov. Brown; Mayor Welch; response by the vice-president of the association; roll call by states.

12:15 p.m.—Luncheon.
2:30 p.m.—Life sub-committee on group life insurance—Furniture Club; agenda: amendments to group life definition.
2:30 p.m.—Workmen's compensation sub-committee—Schubert room; chairman, Gibbs.
3:30 p.m.—Fire and marine committee—Furniture Club; chairman, Carroll, Rhode Island.
4:30 p.m.—Examinations committee—Schubert room; chairman, Read, Oklahoma.

Tuesday, Dec. 4

9 a.m.—Workmen's compensation committee—Furniture Club; chairman, Hodges, North Carolina.
9 a.m.—Fire and marine committee—Schubert room; chairman, Carroll.
10 a.m.—Valuation of securities committee—Schubert room; chairman, Dineen, New York.
11 a.m.—General session—Grill room; agenda: Reports of committees, other business.
2 p.m.—Joint meeting federal legislation and rates and rating organization committee—Grill room; chairman, Harrington, Massachusetts.

Wednesday, Dec. 5

9 a.m.—Fire prevention committee—Schubert room; chairman, McKenzie, Arkansas.
9 a.m.—Casualty and surety committee

Furniture Club; chairman, Bowles, Virginia.

10 a.m.—Life committee—Furniture Club; chairman, Aillyn, Connecticut; agenda: Report of sub-committee on group life definition.

11 a.m.—Executive committee—Grill room; chairman, Thompson; agenda: Report of sub-committees; time and place of June meeting.

2 p.m.—General session—Grill room; agenda: Reports of committees.

Thursday, Dec. 6

10 a.m.—General session—Grill room; agenda: Unfinished business.

Herewith is the schedule of events as arranged by the entertainment committee.

Sunday, Dec. 2

5-9 p.m.—Reception, commissioners, visiting ladies and guests, Furniture Club.

Monday, Dec. 3

12:30-2:15 p.m.—Luncheon, ballroom; toastmaster, George Carter, Detroit Insurance Agency; guest speaker.

7-9 p.m.—Dinner, Officers and members of the executive committee of N.A.I.C., Sadler room.

9-12 p.m.—Informal dance, Grill room.

Tuesday, Dec. 4

12:30 p.m.—Ladies luncheon, Kent Country Club; talk by Arthur Shera, "The Romance of Rug Making."

5:30-7 p.m.—Reception, ballroom.

7-9:45 p.m.—Banquet, Civic auditorium; toastmaster, Mr. Carter.

10 p.m.—Informal dance, the Pantlind, ballroom.

Wednesday, Dec. 5

1 p.m.—Luncheon, visiting ladies, Rowe Hotel English room; tour of furniture museum.

6:30 p.m.—Dinner, visiting ladies, University Club; style show; book review by Mrs. Pau, Goebel.

9 p.m.—Pamunkey ceremonial, "Pamunkey Tribe of Real Indians"; Furniture Club, stag, informal.

SOLONS TO GET LOOK-SEE

LANSING, MICH.—Governor Kelly has urged the insurance committees of the Michigan house and senate to attend the meeting of the National Association of Insurance Commissioners in Grand Rapids Dec. 4 and especially the session at which final recommendations are to be filed with the commissioners relative to the best methods to be pursued in assuring retention of the essentials of insurance regulation in the states.

He said he was relaying to the legislators a warning from Commissioner Forbes to the effect that Michigan's regulatory laws must be adequately revised by Jan. 1, 1948.

and he thinks all professional insurance buyers, "would like you company executives here, together with your home office officials, to explain this deal."

Turning to the all-industry committee seeking to draft model state regulatory laws, Mr. Bass quoted from a number of news articles, stressing the unwillingness of the committee to release any publicity on what they have done and also on the fact that a number of co-operating groups have made it clear that they cannot commit their companies to any program. He asked if the fire insurance companies are too powerful in this committee and, as an insurance buyer, said that he favors open competition and a minimum of regulation of rates and practices consistent with necessary financial stability. He pointed out that in several states there is already a dangerous trend to "stranglehold" regulation.

Procedure of Insurance Buyer

Mr. Bass opened his talk with a discussion of the responsibilities and duties of an insurance buyer, who, he said, is usually an officer of the company and has other financial duties. He said that to carry out its functions properly, an

insurance department should make a survey of the hazards to which the industry is exposed, ascertain by study the forms and types of contracts available, make decisions as to what forms to use and refer major questions to executives of the company, determine the size of the exposure, explore the market and procure coverage from reliable carriers, take an active part in loss prevention activities, set up and maintain records which will reflect earnings and changes in value, so that coverage may be kept in line with requirements, affiliate and take an active part in buyers' organizations, naming specifically the Risk Research Institute, Midwest Insurance Buyers Association and the local chamber of commerce insurance committee, subscribe to and study services such as the "Fire, Casualty & Surety Bulletins" and outstanding insurance magazines, and attend once a year the insurance section meeting of the American Management Association.

N. E. Advisory Board to Meet

BOSTON—The annual meeting of the New England Advisory Board will be held here Nov. 27. The board will

Urges Sweeping Revisions in Statement Blanks

Form Now Is Barrier
to Uniform Accounting,
L. W. Miles States

NEW YORK—Sweeping revisions in the present form of annual statement blanks were urged by L. W. Miles, vice-president of Joseph Froggatt & Company, insurance accounting firm, in his talk before the Insurance Accountants Association here.

"It seems to me that the greatest single stumbling block of accounting in attempting to undertake uniformity in our business and, what is more important, the application of accepted principles of accounting, is the present convention form of statement," said Mr. Miles. "It reflects neither the true financial position of a company nor the results of its operations. In one way or another it violates practically every recognized principle of accounting. Nevertheless, it is the framework and the foundation upon which our entire system of 'accounting' has been constructed."

Gives Own Ideas

After criticizing various features of the present blank, particularly the method of accounting for commissions, Mr. Miles outlined his ideas as to what type of blank he would like to see adopted. He said that the statement of income would substantially conform to the present profit and loss statement of the Securities & Exchange Commission for insurance companies.

"Let us now turn to the balance sheet or statement of assets, liabilities, capital and surplus," he said. "While such terms as 'ledger assets,' 'non-ledger assets,' 'admitted assets,' 'non-admitted assets,' and 'unlisted assets,' are familiar and in a sense understood by all of us, it is only because we have become accustomed to them. Don't try and explain them to an accountant or anyone else outside the insurance business. It can't be done. As an illustration, one company maintains reinsurance recoverable under ledger control, another does not."

"In the first case it is a ledger asset, in the second it is not. In both it is still reinsurance recoverable. And just what is an admitted asset? What we admit we have? Some insurance departments have in recent years ruled that bonds issued by the United States government covering postwar profit tax refunds were not admitted assets. The reason given was that such securities were not currently available for the payment of losses. May I point out that, by and large, investments in subsidiary companies are not currently available for the payment of losses either."

"If we are able to discard once and for all the horse and buggy of balancing to so-called ledger assets, we might then undertake to develop a balance sheet in acceptable form—one that can be understood by John Q. Public. Is there any

(CONTINUED ON PAGE 15)

discuss the proposed increase in National association dues, future of the "American Agency Bulletin" and plans for annual and mid-year meetings of the state associations in New England.

May Split Pacific Board Functions

Propose New Actuarial Bureau to Take Over Rate-making

SAN FRANCISCO—Members of the Pacific Board are studying a plan for setting up two new organizations as its successor, which was presented by W. W. Gilmore, London & Lancashire, president of the board. The lengthy report suggesting that the board be divided—with its rate-making functions entirely divorced—was prepared by a special committee appointed at the time the S.E.U.A. case first broke, headed by H. Clyde Edmundson, vice-president of America Fore.

New Actuarial Bureau

The rate-making functions of the board would be taken over by a newly organized actuarial bureau which would be governed by a board consisting of company men and bureau executives. It would cater to all companies, board or non-board, and possibly would also function as a rate-making body for other lines than fire insurance only. The Pacific Board would be disbanded and a new association of fire insurance companies organized to conduct the other service operations.

Since the S.E.U.A. indictments, with subsequent developments, there have been a number of changes in the Pacific Board, which has been acting for months as an advisory body. The special committee was organized to analyze every operation of the board to eliminate those which might conflict with the new public law 15 and other conditions created by the litigation.

Agents' Finance Company for Auto Cover in Canada

TORONTO—There is much interest in Canada in the bank-agent automobile plan in the United States, but some doubt exists as to whether the banks can participate in Canada.

To meet that situation the Union Finance Company has been formed here. The president is J. E. Proctor, prominent Toronto agent and an officer of the Canadian Federation of Insurance Agents. It will be available to fire and casualty agents in connection with financing the purchase of automobiles. The agents would be the sole contract agents of the finance company, from which they would receive their regular insurance commissions. On top of that they would receive revenue for bringing in the actual finance business. The finance company does not propose to have agents endorse notes but it would have a lien on money outstanding to agents' credits.

Ekern Ends F.C.I.C. Connection

WASHINGTON—Carl Wright, president Federal Crop Insurance Corp., states that the connection of Herman L. Ekern of Ekern, Meyers & Mathias, Chicago, with FCIC, as consultant on all phases of underwriting crop insurance, will terminate Nov. 26, and that no successor to him will be named.

Hear Miller Suit in January

MINNEAPOLIS—The trial of the suit of Jack T. Miller, Minneapolis general agent, against the Minneapolis Underwriters Association will be heard some time in January, according to present plans. Miller charges boycott, conspiracy and illegal rate making. Walter H. Bennett, general counsel of the National Association of Insurance Agents, will come to Minneapolis to assist Mark Walley in representing the local board.



A five-story warehouse wall collapsed in Philadelphia, sweeping telephone and trolley wires and poles to the street by its weight. The building was used by the Philadelphia Mill Waste & Salvage Co. The loss was estimated at \$50,000.—Acme Photo.

Oct. Fire Losses Rise 8%; for Year Increase Is 8%

NEW YORK—Fire losses in the United States in October were \$34,470,000, an increase of \$2,023,000, or 6% over September, 1945, and \$2,297,000, or 8% higher than October, 1944, according to the National Board estimate. For the year the losses are more than 8% higher.

This is the highest October loss reported since October, 1931, when the figure was \$35,501,530.

Losses in the 12 months ended with Oct. 31 are estimated at \$450,999,000 as compared with \$420,360,000 for the same 1944 period. Losses by months and for the year to date are:

	1943	1944	1945
Jan.	\$ 27,733,000	\$ 38,572,000	\$ 44,865,000
Feb.	33,175,000	38,280,000	41,457,000
March	39,214,000	39,084,000	40,876,000
April	34,241,000	34,746,000	37,950,000
May	29,297,000	32,815,000	34,153,000
June	26,854,000	30,555,000	34,090,000
July	25,016,000	32,706,000	34,054,000
Aug.	23,193,000	30,618,000	34,096,000
Sept.	26,488,000	31,448,000	32,447,000
Oct.	29,661,000	32,173,000	34,470,000
Tot.	\$300,872,000	\$340,997,000	\$368,458,000

Darlington to Boston Agency

BOSTON—Horace Darlington, special agent of Norwich Union in eastern Massachusetts and Rhode Island for nine years, and former president of the Bay State Club, has resigned to join Gilmour, Rothery & Co. in Boston. He was formerly vice-president of the New England Insurance Exchange.

To Elect W.U.A. Chairman

The governing committee of Western Underwriters Association at its meeting will elect a chairman.

Charles F. Thomas, W. U. A. manager, has returned from a visit of several weeks in Texas.

Am. Fore Takes Up Agencies of Two Subsidiaries

The program of the America Fore group to retire First American Fire and Maryland from the direct writing field has been nearly completed. Most of the agencies of these two companies have been taken up but many of the agents have been supplied with representation of one of the four remaining fire companies.

These companies eventually may be merged, First American with American Eagle and Maryland with Niagara Fire, or they may be retained for reinsurance purposes only.

The four remaining fire companies in the group are Continental, Fidelity-Phenix, American Eagle and Niagara.

First American was organized in 1925 to replace Farmers of Cedar Rapids, Ia. At June 30 of this year its assets were \$5,974,518, capital \$1 million and net surplus \$3,494,585. For the first six months premiums were \$648,000.

Maryland was originally incorporated as Maryland Motor Car and was acquired by Niagara Fire in 1925. The assets at June 30 were \$4,559,666, capital was \$1 million and net surplus \$2,128,851. The six months premiums were \$690,000.

North America "Rights" to Stock of Record Nov. 30

North America has registered with the Securities & Exchange Commission 300,000 shares of \$10 par value capital stock and subscription warrants. The proposal is to offer the stock at \$40 a share to stock of record Nov. 30 on the basis of one new share for each four shares held. Subscription warrants for purchase of the stock will expire Dec. 31. Of the \$12 million gross proceeds, \$3 million will be allocated to capital and \$9 million to surplus account.

Cosgrove Succeeds Rhodes as Editor of Agency Bulletin

John N. Cosgrove, feature writer and field man for American, has been appointed editor of the "American Agency Bulletin" to succeed Russell Rhodes, who is resigning from the National Association of Insurance Agents.

Mr. Cosgrove is an authority on fire prevention, having devoted much of his spare time to writing and lecturing on the subject. Many of his papers have been published in trade and popular magazines. He has first hand knowledge of the agents' problems and standpoint.

Mr. Rhodes joined N.A.I.A. in 1943, after a long and varied career as a professional newspaper man. Immediately prior to his affiliation with the National Association, he was fire insurance editor and feature writer of the "Weekly Underwriter." He writes in colorful style and was author of the sprightly column "Make Mine Manhattan" in the "American Agency Bulletin." Although Mr. Rhodes has not announced his future plans, it is expected that he will continue his journalistic career.

Mr. Cosgrove is a native of Savannah and attended New York University. He was sports reporter on the Brooklyn "Eagle" and New York "Times" while in college.

In 1932 Mr. Cosgrove went with American Reserve, the fire reinsurer, and worked through the accounting, investment, underwriting, office management and advertising departments. He started in the field in 1944 as New York state agent for Eagle Star. When the Eagle Star's business was reinsured by American he was retained and assigned to Hudson County, N. J.

It is planned to departmentalize the bulletin and change the policy of the paper considerably. Instead of emphasizing the reporting of the news, the bulletin will devote much of its space to interpreting and editorializing.

When this is accomplished, it is expected that the paper will represent much more the agent's view and problems.

Fireman's Fund Conference on Business Development

SAN FRANCISCO—Head office and departmental executives of Fireman's Fund companies held a 10-day post-war business development conference here with President Charles C. Hannah presiding. Attending were James F. Crafts and Richard V. Goodwin, New York; Edward D. Lawson, vice president and western manager, Chicago; L. J. Haefner, marine manager, New York; Fred H. Morasch, Boston; Frank A. Sewell and John H. Dillard, Atlanta.

North America to Pay 15% Bonus to Employees

North America has declared a bonus to employees of 15%. Of that amount 7½% will be paid currently and another 7½% in February. At the same time the cost of living allowance of 5%, has been consolidated into the basic pay. Last year the bonus was a month's salary.

Reports from Tax Exempt Groups

WASHINGTON—More than 2,500 returns have been filed with the Internal Revenue Bureau by organizations held exempt from income tax, as mutual insurance, benevolent life, employees' retirement associations or companies, it appears from a tabulation made public by the Treasury department, based on statistics of income for 1943.

Wyatt Adams has returned to the Adams Insurance Agency, Paris, Ill., after serving as lieutenant of cavalry overseas 37 months. His mother kept the business going while he was away.

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Commissioner Asks Cooperation in Md. Assigned Risk Plan

Warfield Tells Members S.E.U.A. Decision Will Not Affect Agencies

NEW OFFICERS ELECTED

President — Carroll L. Crawford, Westminster.

Executive vice-president—Albert H. Michaels, Baltimore.

Vice-presidents—H. Parker Tull, Jr., Crisfield; David O. Griffin, Frederick; F. Albert Roloson, Baltimore; Fred E. Voges, Annapolis; Robert J. McCauley, Elkton; Robert S. Barnes, Cumberland; Herbert V. Anders, Westminster.

Secretary—J. Vernon Coblentz, Frederick.

Treasurer—Alva P. Weaver, Jr., Baltimore.

Chairman—William M. Scott, Baltimore.

State director—H. Merrill Walters, Pocomoke City.

Executive secretary—George S. Robertson, Baltimore.

Directors—H. A. Bauer, Hagerstown; Ralph G. Bittle, Baltimore; Arthur W. Boyce, Salisbury; Hubert P. Burdette, Mt. Airy; Jacob Gross, Jr., Baltimore; Albert L. Heil, Baltimore.

By JOHN BURRIDGE

BALTIMORE—Agents should take a greater interest in their organization and encourage membership, Commissioner L. E. Ensor told the annual convention of the Maryland Association of



L. E. Ensor



W. M. Scott

Insurance Agents. The association is important to the state, he said, but lacks the strength it could have if more members were obtained and all those in the organization cooperated fully with it.

The automobile financial responsibility law goes into effect in Maryland Jan. 1, and Mr. Ensor emphasized that insurance must be made easier for the public to obtain. The voluntary assigned risk plan, which went into effect Oct. 1, is the answer, he said, but prejudiced selection of risks by the companies must cease if the plan is to be a success. He criticized the practice of some companies refusing risks because of race or partial disability. Letters have been sent by the department to all companies asking full cooperation in this matter. Refusal of a few companies to cooperate will "not meet with any friendliness from the state of Maryland," he declared.

The commissioner pointed out that a law which practically makes insurance compulsory must permit all people to get insurance and the assigned risk plan is not to be used as a dumping ground for bad risks. He asked the agents to report immediately to the department any instances of company non-cooperation.

Commissioner Ensor criticized the

(CONTINUED ON PAGE 10)

Butler Fills Greenberg Vacancy at Western A. & I.

Ben M. Butler, manager of the Kansas City, Mo., branch office, and regional supervisor for Kansas and Western Missouri, has been appointed executive general adjuster on the head office staff of Western Adjustment, succeeding the late esteemed Harold M. Greenberg.

Robert E. Glass, manager of the Omaha branch, and regional supervisor for Nebraska, will succeed Mr. Butler at Kansas City.

George T. Cherry, manager of Cape Girardeau branch, will replace Mr. Glass at Omaha.

All three men are veteran adjusters and thoroughly familiar with Western Adjustment methods and procedure.

Mr. Butler is a graduate of University of Michigan. He first engaged in the insurance business in Palo Alto, Cal. He joined Western in 1930, and shortly thereafter was transferred to Omaha where, in 1935, he became general adjuster for Nebraska. He was transferred to Kansas City in 1942. His success as administrator and adjuster is responsible for his selection as a member of the head office staff.

Mr. Glass is one of the Western Adjustment's stalwarts. He joined the organization in 1914, and after service in Ohio and Minnesota, was transferred to Omaha where, in 1929, he became branch manager. He is regarded by the head office as an excellent adjuster, a fine administrator, and an ideal successor to Mr. Butler at Kansas City.

George T. Cherry, who now takes charge at Omaha, has been with the company since May, 1929. During his more than 16 years' experience with Western, he served successively at St. Louis, Quincy, Omaha and Lincoln, and was appointed manager at Cape Girardeau in 1940. He is considered well qualified both by experience and ability to succeed Mr. Glass at Omaha.

Mr. Cherry's successor at Cape Girardeau will be announced shortly.

Mich. Disapproves Term Deviation

LANSING — Commissioner Forbes has rejected the North America's optional plan for payment of term fire policies, proposed for filing on the ground that "properties insured in Michigan under a fire rate deviation plan show an unfavorable experience trend."

Mr. Forbes said a survey brought to light adverse experience "indicating the possibility that deviated rates are not reasonable and in accord with the provisions of fire insurance rating division laws."

Mr. Forbes told North America that the department probably will act to remedy the deviation situation generally.

"In view of this experience trend," Mr. Forbes wrote, "I believe that fire rate deviations now on file in this department should be adjusted after an orderly review of the fire underwriting experience for Michigan for the year ending Dec. 31, 1945, and any other proper experience periods."

Under the North America proposal, the initial installment on a five-year premium would be made equal to an annual premium, with the four remaining annual payments 75% of that amount.

N. Y. HEARING MONDAY

The New York department has scheduled a hearing for Monday on the premium installment endorsement filing of North America. The filing was made after the New York Fire Insurance Rating Organization turned down the proposal.

Use The Accident & Health Bulletins. Write the A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, O.

Miss. Agents Eye Legislation

Oppose Prior Rate Approval Idea; Seek More Commission

JACKSON—More than 125 agents attended the business meeting of the Mississippi Association of Insurance Agents here, Tuesday. Commissioner White said that "While we have very definite ideas as to the type of state regulatory law which should be enacted we are not at this time wedded to any particular proposal."

E. C. Stone, Employers Liability, followed the commissioner on the program. He said he opposes "prior rate approval bills." He pleaded for flexible rate laws that would provide "adequate, reasonable and not unfairly discriminatory" rates. He reminded agents that they had a choice between federal and state regulation and between "prior rate approval" or a bill under which competition could survive.

Agents concurred in the view of Mr. Stone in that they do not want a prior rate approval bill, and the matter was referred to the recently appointed liaison committee of the association appointed to work with the insurance department on legislation. The committee is composed of W. S. Smylie, Theo. Hardy, John W. Robinson and Clant M. Seay.

Mr. Smylie, reporting for the administration, praised the work of Theo. Hardy, state national director and the executive committee, and referred to Clant M. Seay when he said that "I know of no organization that has a more able and energetic secretary." Among his recommendations was that N.A.I.A. schedule meetings of state association presidents at national conventions.

Agency Cost Questionnaire

Mr. Seay announced the report of the agency cost questionnaire. The average rate of commission in Mississippi is 19.6%. He reported efforts of the association to secure contingent and increased commissions. Loss and expense figures of fire companies were discussed and his report ordered sent to all members. The association commended its officers for their efforts to secure more adequate compensation. The commission report did not contain the report on the poll of companies as to the rate of commission to be paid in ensuing year as the commissioner refused to release information on how the votes were going.

The association adopted a resolution approving in principle the position of New York State Association of Local Agents on the branch office question, went on record favoring "stepped-up" activities for N.A.I.A., and assured the N.A.I.A. of financial cooperation in promoting expanded services.

Commissioner White in his talk said

(CONTINUED ON PAGE 4)

Sets Up New Claim Office

Northwestern Mutual Fire has opened an eastern claim department in Chicago with Howard D. Heath, assistant vice-president, in charge. He has been connected with the company for over 20 years, most of his experience being in the field. He was special agent in California for some time, and for the last several years has been in charge of the fire and inland marine claim operations in the western division with office in Seattle. Mr. Heath and the claim department are housed in the mid-western branch office in Chicago.

The fall party of the Detroit Adjusters Association will be held Dec. 7.

The book every A. & H. man should have—"Planned Salesmanship," by Cousins. \$3 from The National Underwriter.

Ohio Educational Conference Is Successful Affair

Ley Warns Against Arguing Differences: Spottke Talks

By GEORGE WOHLGEMUTH

DAYTON—The greatest fault of the insurance business is its insistence on arguing the different philosophies of the various insurance organizations, Prof. J. Wayne Ley, secretary college of commerce, Ohio State University, told the educational conference sponsored by the University of Dayton, Dayton Fire & Casualty Underwriters, and Ohio Association of Insurance Agents. There is nothing to gain in the long run by such tactics and much may be lost, he declared.

The conference, the second in a series of four, attracted a large attendance and was addressed by a number of top flight speakers. The other two conferences will be held at Toledo Feb. 6 and at Columbus April 25.

Outstanding Speakers

The presiding officers were S. L. Hedge, president Dayton Fire & Casualty Underwriters, Professor Ley and Leeds Bronson, president Ohio association. Speakers were F. N. Davey, vice-president American Aviation & General; A. M. O'Connell, manager Eureka-Security Agency, Cincinnati; Oscar Beling, superintendent agency systems department, Royal-Liverpool; H. E. Kline, secretary-treasurer Master Electric Co., Dayton; A. E. Spottke, manager automobile division National Bureau of Casualty & Surety Underwriters, and Hyde Perce, Jr., insurance editor Chicago Journal of Commerce, banquet speaker.

The classification plan used in the automobile B. I. and P. D. insurance field prior to the war and reinstated with the return of peace has proved to be the fairest method for assessing the cost of the insurance, Mr. Spottke asserted. Experience prior to the war was best on the cars written on the lowest rate bracket. It is logical that adult drivers who do not drive in excess of 7,500 miles annually should receive the benefit of the lowest rates. As a suggestion, he advanced the idea that it might be worth while to consider putting a rating provision in the policy which would clearly

(CONTINUED ON LAST PAGE)

Great American Ind. Names Kracke; Two Veterans Back

George W. Kracke, formerly special agent for Fidelity & Deposit at Chicago, has joined Great American Indemnity as special agent in Chicago and Cook county. He had been with F. & D. 12 years.

Rice to Illinois

Arthur A. Rice, former field supervisor for Great American Indemnity in Wisconsin, has been released from the navy and has been assigned by Great American as field supervisor in Illinois. Temporarily his headquarters are in Chicago. He was in the navy two years and had been with Great American 15 years prior to the war.

R. C. Johnson, after three years in the army, has returned as field supervisor for Great American Indemnity in Minnesota and North and South Dakota with headquarters at Minneapolis.

WSA to Reinsure Great Lakes Coal Carriers in Dec.

WASHINGTON—War Shipping Administration will reinsure the Great Lakes Marine Underwriters Syndicate 100% on hull risks involved in use of lake vessels carrying coal to the upper lakes after Nov. 30.

John C. Collet, stabilization administrator, says WSA "will provide reinsurance as it is required after normal insurance expires" on that date in order "to make possible the post-season movements."

WSA insurance officials say that normally the lake syndicate terminates hull coverage for the navigation season Nov. 30, but will extend policies for a later period at substantially increased rates. Such increases would be reflected in increased freight rates they said, and cargoes involved would lay down at lake ports at higher prices and could not be sold at or under ceilings.

Will Run Two to Three Weeks

The solid fuels administration asked WSA to provide reinsurance on boats carrying coal after Nov. 30 at the normal summer insurance rates. This will be done for an estimated two or three weeks in December.

The lake syndicate, WSA said, has agreed to accept insurance on coal-carrying vessels certified by the office of defense transportation for lake voyages after Nov. 30 at normal summer rates.

In reinsuring lake coal boats this year WSA is following a policy pursued for the past three years with respect to lake ore, grain, and oil vessels. Cargo insurance is not involved.

Mississippi Agents Study Legislation, Commissions

(CONTINUED FROM PAGE 3)

he is not prepared to give full sanction to the principle of licensing outside bureaus for the purpose of filing rates. "We do recognize, however, that they may be used to good advantage for the gathering of statistics for use by a licensed state rating organization.

"While not holding up the present fire rating law as being perfect, yet with slight modifications in one or two of its provisions, it may be assumed that the law will meet the requirements of the moratorium law.

Mississippi, he observed, is a multiple line state. Casualty companies with proper charters and with the required capital may engage in fire insurance and vice versa.

There is, he said, an unmistakable trend toward multiple line operations, and if this trend continues to develop one rating bureau may be sufficient to handle both fire and casualty rates. For the time being, however, a companion bureau to handle casualty rates would probably be more satisfactory in Mississippi.

The entire insurance code should be rewritten but such an undertaking should extend over a period of at least two years under the direction of a legislative committee working with the department and with experts.

Need Casualty Law Now

Casualty rate legislation is immediately necessary.

"In the face of proposed legislation made necessary by the S.E.U.A. decision," he declared, "the companies have announced an increase in auto casualty rates."

"The increase was made without the proposals to increase rates having been first submitted to some authority and, in addition to the bad timing of such a plan, it is seriously doubted that the experience for the past few years justifies the increase. We are, therefore, urging the legislature to pass some form of casualty rating bill at its approaching session."

George E. Houck Is Elected Buffalo President

BUFFALO—George E. Houck has been elected president of Buffalo, taking the place left vacant by the resignation of Sidney R. Kennedy.

Mr. Houck has been vice-president and secretary. He was born in 1877 at Buffalo and is a graduate of Cornell and University of Buffalo law school. He was admitted to the New York bar in 1902. He has been a director of Buffalo since 1917. He was elected 2nd vice-president in 1928, first vice-president in 1930 and vice-president and secretary in 1934.

Burlingame Stresses "Learning" Value of Small Losses

A few of the things learned in the adjustment of losses during the war were related to members of the Midwest Insurance Buyers' Association at a dinner at Chicago by J. H. Burlingame, Jr., assistant manager of Western Adjustment. Many assured suffered coinsurance penalties under both use and occupancy and property damage, Mr. Burlingame said.

He emphasized the necessity for the assured to be realistic about depreciation and the settlement of a loss. In this connection he recommended use of Bulletin F of the Internal Revenue Bureau, revised 1942, which is very helpful. Depreciation is a fact of life and must be faced, he said, whenever there is a loss.

Tests Insurance

The small loss, under \$1,000, does not get enough consideration or attention from assured, Mr. Burlingame believes. It represents from 85 to 90% of all fires. It offers an excellent opportunity for testing assured's insurance, availability of figures in case of fire, etc., and it should be properly handled.

Of 300 use and occupancy losses in the middlewest during the war, running more than \$5,000, a considerable number exceeded the property damage. This was especially true in integrated plants and was not so true where the plant was broken up into sections.

In about 20% of the losses there was priority trouble, chiefly because of the lack of basic material, he said. Some properties that burned out a year or two ago have not yet been rebuilt. There were surprisingly few raw stock losses, although they were anticipated. He mentioned also that debris removal proved a good coverage in several instances. In one case the companies paid over \$100,000 for this expense.

Ray S. Bass, Staley Manufacturing Co., Decatur, Ill., presided at the meeting in the absence of Vice-president T. J. Sullivan, Inland Steel. A number of questions were asked Mr. Burlingame following his talk.

Hail Group Statistics Are Now Available to All

The Western Hail & Adjustment Association has extended its statistical facilities to Texas and will hereafter compile figures on Texas experience and furnish them to members of the association operating in that state.

The association also voted to extend statistical facilities to companies not members of the association, countrywide. Arrangements will be worked out with each company desiring such service. All classes of carriers writing hail on growing crops that want composite data for their territories can get it by filing their own statistics with the association and by paying their proportionate share of the statistical cost.

Werner Takes New Post in Fire Reinsurance Realm



EDGAR C. WERNER

Edgar C. Werner has resigned as vice-president and secretary of Eagle Fire of New York to become vice-president of Excess Underwriters, Inc., of New York in charge of fire reinsurance underwriting.

Mr. Werner at Eagle, which is a professional reinsurance company, was in charge of underwriting. He had been with Eagle Fire 16 years and prior to that had been in the brokerage and agency branch of the business.

Ort Executive Head of Brokers' Groups

NEW YORK—George H. Ort has been selected as successor to the late W. W. Ellis as executive vice-president of the Insurance Brokers Association of New York, editor of the "Insurance Broker-Age" and secretary of the National Association of Insurance Brokers. He will take up his duties about Dec. 1.

Mr. Ort is technically qualified for the work, being not only a practical insurance man but a lawyer. Following association with Employers group for several years in various underwriting capacities, he went with the war department as a civilian in August, 1941, to assist in organizing its insurance program.

Since early in 1942 he has been chief of the insurance section, office of the chief of ordnance, war department.

Mr. Ort was graduated from Rutgers University in 1929 and is a Phi Beta Kappa. In 1934 he was graduated from New Jersey Law School, Newark University, and was admitted to the New York state bar in 1935.

E. W. Sawyer Brokers Counsel

E. W. Sawyer, who has resigned as counsel for the Association of Casualty & Surety Executives, to resume the practice of law, specializing in insurance work, has been retained as counsel to the National Association of Insurance Brokers. Mr. Sawyer will be located either in New York or Boston.

Westervelt Returns to B.D.O.

Lt. Comm. Fred W. Westervelt, Jr., has returned to his duties as assistant director of the Business Development Office after having been released from active duty with the navy.

IM.B.I. in Texas and Alabama

The Inland Marine Insurance Bureau has been licensed to operate as a rating bureau in Texas and Alabama. It is also licensed in New York, Connecticut, Florida, Tennessee and New Mexico.

Gastil Envisions Insurance Clinic, Covering All Lines

LOS ANGELES—In the near future the general office will find it difficult to hold its customers unless it offers expert service for all the client's insurance needs, property and personal alike, Walter G. Gastil, southern California manager of Connecticut General Life, told the California Association of Insurance Agents at its closing session, speaking on "Does Life Insurance Have a Place in the General Office?" He declared that the agent is the one who must make the decision.

At that session Ira D. Wheeler, Santa Monica, who has been vice-president the past year, was installed as president of the California association, succeeding Neal Harris of Oakland, who has made a notable record as president the past year.

Mr. Gastil said that the doctor for several eras was a self-trained general practitioner, then became a specialist and now is in a clinic. There was the country general store, then the grocery, the delicatessen, the dairy, the bakery, now all-in-one food market. The general store, then the dry goods, the clothing, the notion, and now all embraced in the department store. In all instances it was the one man generally, then the specialists and now the group of specialists.

Day of "General Store" Over

"The insurance business has many parts," he said. "We used to know very little about any line. Then it was divided into two main divisions, general and life. These were divided into a dozen parts, and the parts again divided into



Ira D. Wheeler



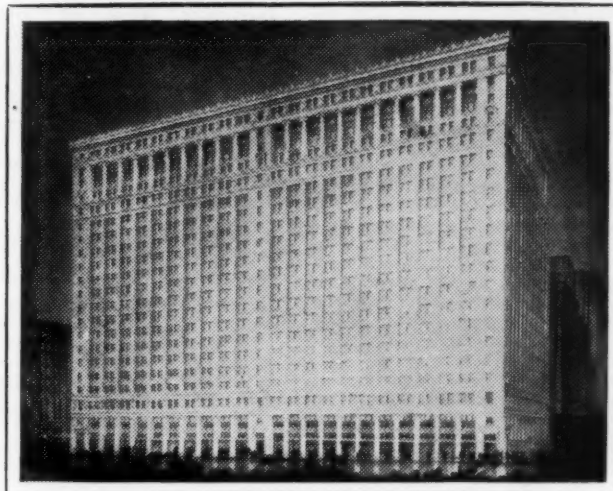
Neal Harris

smaller parts. Could it be—like the businesses—that the insurance business will come back to an association of departments, or a clinic of specialists, each necessary to the other, each outstanding all making more than alone, none profiting too much on the others' efforts.

"I think that the day of the general practitioner, trying to run a general store in the insurance business, is over. He cannot give expert advice on any one line. I think that the day of the expert in business insurance, workmen's compensation, accident and health, life, annuities, pensions, automobiles is over. He forces his client to deal with too many houses to fulfill his needs. I feel that the association of experts, each expert in his own field, and all under one banner, is on its way to providing better service to the public and therefore better profit to the worker.

Points to Be Considered

"If you move towards the building of an insurance group of specialists there are some things you should give some serious thought. Do you know how to select your company? Too frequently a company is taken because the general insurance man knows some one who is looking for office space who represents that company. How will they treat your clients? Build prestige for your name? What basis will you take on these additional experts to become associates of yours? How will he deal with you on commission splits if he sells your clients? How will he share the overhead? How will you handle the general insurance



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on his clients? How will you get started?

"There is an easy way to start. The first and most important need in personal insurance is accident and health. Get some company that has a good top line accident and health program, that believes in tailoring accident and health insurance to the client's measurement. The second approach is through group insurance. Find a company with a broad program. You furnish the prospects, they the special service. Then find a company that will make you a first line broker and give you everything they offer and all you need. Then find a company that can provide for your occasional call for help. And while you are about it, really first check your own operation. Have all your clients' coverages been checked against all possible exposure? Has each policy been surveyed to be sure it fits and is the best job of underwriting that can be done? Do you know him personally—remember his birthday—kid's birthday, or is he just some one who gave you a policy and always renews it? Could you use more help and do a more thorough job—give employment to another man—not a competitor, but an associate.

"If these things are true in your office you are ready to take on another de-

partment. And a good life man or two would like the stall in your market, pay a fair rent, attract business to your office, for you would attract business to their stall and both would profit more."

J. G. Hille, assistant manager of the Veterans Welfare Board, gave an interpretation of its fire insurance plans. He said that the board expects \$350 million of fire insurance to be written on property acquired by veterans through its financial aid and that it is the plan of the board to develop this business through the agents. Where a veteran purchases property through the board he will name his agent and company, the latter being from a list of board and independent companies. At expiration time, should he not pay attention to expiration notices, the board will renew the coverage, giving it to the agent in that community who is next on the roll to receive such coverage, the company again being selected by the agent from the approved list. In cases of loss the board makes the adjustment, thus saving money to both the veteran and the company. He gave figures showing that from January, 1941, through December, 1944, the board had handled \$440,787 in losses.

Harold I. Callis, Santa Barbara, conducted a forum, "Here's a Good Idea."

Convention Dates

Nov. 29-30. Indiana agents, Claypool Hotel, Indianapolis.

Dec. 2-5. Insurance Commissioners, Pantlind Hotel, Grand Rapids, Mich.

Dec. 5. Insurance Federation of N. Y., Hotel Commodore, New York City.

Dec. 10-12. Bureau of Personal Accident & Health Underwriters, Hotel Claridge, Atlantic City.

Dec. 17-19. Insurance Section, American Bar Assn., Cincinnati.

Jan. 23-25. National Assn. A. & H. Underwriters (mid-year), Lassen hotel, Wichita.

May 3-5. North Carolina agents, Pinehurst.

May 12-15. National Assn. Insurance Agents, mid-year, Cincinnati.

June 23-25. National Association of Accident & Health Underwriters, Denver.

Delegates put questions in a box and they were answered from the floor. Earl J. Nichols won the first prize; Neil Greene of Sebastopol the second and Walter W. Robinson, San Bernardino, the third.

William B. Glassick of Hollywood, chairman of the state auto plan committee, gave an exposition of the plan.

High Court Affirms Borrower's Right to Secure Cover

The Arkansas supreme court has affirmed the decree of the Pulaski chancery court under which the mortgagor was upheld in his contention that he had the right to arrange for the insurance on the property against the contention of the mortgagee that this was the lender's privilege. The case was the Guardian Co. vs. Cleveland & Co.

Commencing in 1941 Cleveland & Co. was engaged in building defense housing units in Little Rock and North Little Rock, which numbered more than 100. Guardian Co. was in the loan business.

Jack C. East, executive vice-president of Guardian Co. was also president of the Smith-Reid-East insurance agency.

Mr. East secured for Guardian the loans of the Cleveland Co. which were FHA insured. These loans were later sold by Guardian to First National Bank of St. Louis with Guardian Co. acting as servicing agent.

Insurance on each house was procured by consent or acquiescence of the Cleveland Co. by Smith-Reid-East.

In 1944 Mr. East resigned from both Guardian and the insurance agency and opened a local agency of his own. Thereafter the Cleveland Co. gave the fire insurance renewals to Mr. East. However, Guardian refused to accept these policies on the ground that under the clause in the deeds of trust Guardian had the right to designate the agency and that it had already placed a renewal order with Smith-Reid-East.

Trust Fund for Premiums

The deeds of trust required the Cleveland Co. to pay to Guardian monthly 1/12th of the estimated annual premium and this was designated as a trust fund for the purpose of paying the next annual premium.

It is conceded that at the time the Cleveland Co. caused renewal policies to be issued by Mr. East and delivered to Guardian, the latter had not charged the account of the Cleveland Co. with the premium on the policies it caused to be issued since the outstanding policies had not expired.

After making three attempts to deliver to Guardian three different sets of renewal policies, and after Guardian had used the insurance trust fund to pay premiums on renewal policies issued through Smith-Reid-East, Cleveland Co. brought an action to compel Guardian to cancel the latter policies and recover from Guardian the amount it had paid out for premiums on such insurance.

Guardian filed a cross complaint against Cleveland and Mr. East. As to the latter it alleged that by reason of his former position with the Cleveland Co. and Smith-Reid-East he had acquired confidential information which he and the Cleveland Co. were wrongfully using to rewrite the insurance, and were taking an unfair advantage. On this point the supreme court observed that the lower court found as a fact that neither Mr. East nor the Cleveland Co. had taken any unfair advantage of or used any confidential or private information of Guardian in connection with their own business and the supreme court stated the preponderance, if not the undisputed evidence, supports this finding.

The supreme court found that the deed of trust supports the position of the Cleveland Co. and of Mr. East. Under the deed it found that it is the Cleveland Company's duty, not that of Guardian, to keep the improvements insured but in such amounts and for such periods as may be required by Guardian. The provision that insurance shall be carried in companies approved by Guardian necessarily implies that Cleveland shall have the primary right to procure the insurance, as there would be no necessity of approval by Guardian if it had the primary right to procure the insurance and did procure it.



Is insurance behind the 8-ball?

No, insurance is NOT behind the 8-ball! But insurance, in these atomic times, does need friends. Surveys show that nearly everybody has at least one insurance policy, but very few people know how insurance works. Since the agent is the industry's direct repre-

sentative, he is the best man to make friends for it in his community. One way to do this is to push fire and accident prevention the year around, preferably through an association program. Good public relations will keep insurance from behind the 8-ball!



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McCORMACK TO SPEAK

Commissioner McCormack of Tennessee, president National Association of Insurance Commissioners, will speak before the insurance group of the Union League Club of Chicago at a luncheon Nov. 30. Mr. McCormack will be in Chicago the day previous attending the annual meeting of the National Fraternal Congress. He will be accompanied by E. H. Mashburn, senior insurance examiner in the department. His subject will be "What Is Insurance Facing?"

MILLER IS DISTAFF SPEAKER

C. S. S. Miller of Whitney & Miller, adjusters, spoke before the Distaff Executives Association in Chicago on aviation insurance claims. He reviewed the history of aviation coverage, tracing the increase of public knowledge and the accelerating efficiency of safety devices and measures.

MERCHANDISE MART INSURANCE

Insurance men in Chicago are interested in the sale of the Merchandise Mart by Marshall Field & Co. to interests headed by Joseph P. Kennedy. John J. Reynolds, New York real estate broker who also does an insurance business, was the broker in this transaction, and according to newspaper reports, received a commission of \$500,000. Mr. Reynolds has established an office in the Merchandise Mart and he is taking over the insurance on this huge structure.

At Mr. Reynolds' office at 363 Lexington avenue, New York, it was said insurance will be handled through an Illinois non-resident brokerage license.

WILMETTE INSURANCE ADVISER

The Wilmette (Ill.) village board has appointed Youngberg-Carlson Co., Chicago agency, to act as insurance counsel to advise the president and board of trustees in all matters relating to insuring village property and bonding village officers and employees.

While the agency will receive no compensation for its services, insurance commissions on village business is to be distributed in equal shares to all brokers designated by the president and board, and these participants in the commissions will include all residents of Wilmette whose principal business is selling insurance and who desire to be so designated.

DISCUSS AMALGAMATION

Manager Hamilton of the Chicago Board pursued a diplomatic course in the amalgamation of some of the North America companies. The rules of the board limit the number of agents a company may have and also provide for a designated company for class 1 membership. This step of North America affected a number of agencies. The company is seeking postponement of enforcement of the rules until it can get its matters adjusted. The opinion is that the company should be allowed this request, involving as it does a number of members. Manager Hamilton invited in various groups of members to discuss the situation rather than have a town meeting. The same situation will confront the Chicago Board with the America Fore group which is also putting into effect the amalgamation process.

TWO GO WITH ALLIED AGENCY

The Allied Agency of Chicago has appointed Christopher M. Aler in charge of all underwriting, and especially of fire and marine, and George Connors as manager of the casualty department. Both have had many years of experience in company and agency work. They are associated with Phillip Levy, manager of the agency.

Mr. Aler has been in the business over 22 years in Chicago, having started with Fidelity-Phenix in the western department as a file boy. After a time he went with the National of Hartford, western department, rising to assistant examiner and remaining for 18 years. Then he was connected with the Cook county office of Corroon & Reynolds as chief underwriter and after two years joined

the Glens Falls western department as underwriter of the Cook county fire department and also handling brokers' service. Subsequently he joined the brokerage department of Fireman's Fund western department for a year before his present connection.

Mr. Connors has been in the business about six years, having been connected with Maryland Casualty, first as manager of the mailing, filing and supply department, then as underwriter. After three years he went with the National of Hartford groups western department, being a farm examiner in Wisconsin, North and South Dakota and Nebraska, traveling out of Chicago.

SOUTHERN DEPARTMENT

50TH Anniversary



You don't have to be an insurance agent south of the Mason and Dixon Line to be interested in this special edition of Fireman's Fund Record. It tells a simple, human-interest story of the modest start, 50 years ago, of a company office in the South which has now grown into a large and successful operation. If you are not acquainted with the Fireman's Fund companies this booklet will prove an ideal introduction. Write to our nearest office today for a copy of the November Record and learn at first hand why agents and brokers all over the country say, "I like the Fireman's Fund way of doing business."



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NEWS OF FIELD MEN

Ill. Field Groups Plan Affairs in Springfield

The Illinois Fire Underwriters Association at its semi-annual meeting in Springfield Jan. 31 will hear James C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins" and associate editor of THE NATIONAL UNDERWRITER, on the new fire policy which becomes effective in the state Jan. 1, and Frank Anger, vice-president of the Industrial National Bank of Chicago, on the bank-agent auto plan.

The Illinois Blue Goose will hold an initiation the evening before at the same headquarters hotel, the Leland.

The Illinois Fire Prevention Association will conduct an inspection of Springfield Jan. 29-30, with Harry K. Rogers of the Western Actuarial Bureau fire prevention department on hand, and with the Springfield Chamber of Commerce sponsoring the affair.

McAuliffe Tells Ill. Pond of Bomb Survey in Germany

More than 70 turned out for the Illinois Blue Goose dinner Monday to hear Chief Frank McAuliffe of the Chicago Fire Insurance Patrol tell his experiences as a member of the U. S. strategic

bombing survey in Germany. McAuliffe held the close attention of this group as he has other insurance audiences since his return.

J. Ray Hull, American States Fire, Indianapolis, newly elected grand keeper, gave a message from the grand nest.

J. Lewis Cassell, London Assurance, most loyal gander had two returned service men take a bow, they being Axel Nelson, America Fore, and Will Harrison, Phoenix of Hartford.

Thanks were expressed to Attorney Sam Levin who accomplished the incorporation of the pond, doing the work for free at the risk of reprimand by the Chicago Bar Association.

Cherokee, Okla., Inspected

The Oklahoma Fire Prevention Association inspected Cherokee, with 15 field men attending. Speakers were Jesse Murray, president of the association, and Paul Slater, America Fore.

Woods Made State Agent

Earl F. Woods, Crum & Forster special agent and engineer at Wichita, has been advanced to state agent. Associated with him in Kansas are State Agent Carl E. Bailey at Wichita and Howard S. Searle at Topeka. Mr. Searle recently returned to the Kansas

field after more than four years as a colonel in the army.

Jelenik Returns to Neb. for N. H.

Howard L. Jelenik after 3½ years in the army has returned with New Hampshire as special agent in Nebraska under State Agent C. E. Heckenlively. Mr. Jelenik spent 2½ years in Iceland in service. Prior to going into the army he was in the Nebraska field for the company.

Dinner for Mrs. S. C. Neff

A testimonial dinner will be given in Columbus Dec. 3 for Mrs. S. C. Neff, who recently retired after nearly 40 years service with fire insurance interests in that city. He handled association work throughout that period, and has a wide acquaintance among fire insurance men. Harry F. Alberschardt, Western Adjustment, is chairman of the committee in charge.

Cobb Joins Louisville Agency

Horace W. Cobb, who for 13 years was fire examiner and marine special agent of Hartford Fire, traveling the midwest out of the western department in Chicago, has just been discharged from the navy and has become associated with the Gaunt, Houston & Fitzhugh general insurance agency of Louisville. Just prior to entering the navy he was Illinois state agent of Security of Conn., supervising fire, marine and cas-

ualty business, and before that he was in charge of the Cook County marine department of Hartford.

Vote N. J. Membership Extension

NEWARK—The New Jersey Special Agents Association has voted favorably on the amendment to its constitution permitting full membership to adjusters and to field men of insurance service agencies. This change permits these men, formerly associate members, to vote, and, to hold office. At the same time the association voted to make licensed field men of casualty companies eligible for full membership. Previously they had not been eligible for either full or associate membership.

N. H. Field Club Elects

MANCHESTER, N. H.—The Mountain Field Club of New Hampshire has elected these officers: President, Ray A. French, Fireman's Fund, Manchester; vice-president, John G. Tracy, Phoenix of Hartford; secretary, Randolph Forsberg; treasurer, John H. Howe, National Liberty.

Nelson Montana President

R. A. Nelson, St. Paul F. & M., was elected president of the Montana Fire Underwriters Association at the annual meeting at Great Falls. He succeeds George G. Newlon, Phoenix, Eng. The new vice-president is W. H. Scarboro, Norwich Union, and Kenneth H. Burrell, Commercial Union, was reelected secretary. The next annual meeting will be held at Butte.

Recommendations were made that certain changes be put into effect in the constitution and by-laws.

The Fire Prevention Association of Ohio will meet in Columbus Dec. 3. The two field clubs will meet the following day.

L. C. Dane of United States Fire has been confined to Mt. Carmel Hospital in Columbus for a week or 10 days.

The Oklahoma Blue Goose will hold its Christmas party Dec. 21.

Police Chief Ryan of Minneapolis spoke on "Law Enforcement and the Public" at the Nov. 19 luncheon meeting of the Minnesota Blue Goose.

At the New Jersey Field Club's luncheon in Newark, Nov. 26 Pat Kiley of the U. S. immigration department will speak.

Parkinson on Chicago Examiners' Card Nov. 29

The Chicago Association of Fire Insurance Examiners at its annual managers' night dinner Nov. 29 will present Nellis P. Parkinson, Illinois insurance director. The affair will be held at the Triangle restaurant, 6 South Clark street. This is always the big meeting of the year for the examiners, and fire company managers generally turn out in full force. Mr. Parkinson will discuss fire insurance and its regulation. Ed. J. Dowling of Fireman's Fund is president of the association.

Moran Leaves Labor Post

WASHINGTON—E. C. Moran has resigned as second assistant secretary of labor to return to his agency in Rockland, Me. It was stated that Mr. Moran had only come to the labor department intending to stay one month, but has remained several months.

Mr. Moran served in Congress as a Democrat in the early new deal days and was later appointed a member of the maritime commission, from which he resigned after limited service in order to return to his agency. During the fight over insurance anti-trust exemption legislation two years ago Mr. Moran submitted to congressional committees concerned a communication opposing the bill. He is resident vice-president in Maine of Central Surety.



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FIRE AND ALLIED LINES, AUTOMOBILE INLAND
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Barnstead New President of Canadian Officials

NEW OFFICERS ELECTED

President — Arthur S. Barnstead, Nova Scotia.
Vice-president — Herbert Hunter, Manitoba.
Secretary — Roy B. Whitehead, Ontario.

More than 100 government officials, insurance men and counsel attended the annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada at Quebec. It was the first occasion upon which all nine provinces were represented.

George La France, Quebec superintendent and the outgoing president, presided throughout. Welcomed to the ranks were Stanley W. Taylor, Vancouver attorney, who was recently appointed insurance superintendent for British Columbia succeeding the late H. G. Garrett, and Ralph R. Moore, who recently returned to the Alberta department as superintendent after three years absence on other duties.

E. C. McDonald, vice-president in charge of the Canadian head office of Metropolitan Life and vice-president of Canadian Life Insurance Officers Association, was the titular head of the life insurance delegation and presided at a dinner extended to the superintendents by the life insurance group.

The second and third day's meeting was concerned exclusively with fire and casualty matters, the principal topic under discussion being the proposed general revision of the uniform provincial other-than-life insurance legislation designed to make radical changes in the

existing laws concerning definitions of classes of insurance and deposits, etc., to the end that greater freedom of contract should be allowed the different classes of carriers. While no legislation will be recommended this year, the discussion resulted in substantial progress on important principles and 1946 or 1947 may see a new other-than-life insurance code recommended by the association for general adoption by all provinces.

R. H. Osborne in Ind. Field for National Fire

R. H. Osborne, who recently became affiliated with the western department of National Fire and who has been receiving special training in all departments, is now being assigned to the Indiana field as special agent.

Mr. Osborne, a native of Indiana, was graduated from Armour Institute in 1928. He started with the Michigan Inspection Bureau at Detroit and in 1936 became associated with Western Actuarial Bureau where he remained until his affiliation with National Fire.

Air Insurance Men Return

Three veterans have returned to resume their jobs with U. S. Aviation Underwriters, including Henry N. Beers who was in charge of a combat carrier aircraft service unit and achieved the rank of lieutenant commander; Woodrow Van Hoven, who served for three years in the naval air force and received the distinguished flying cross and air medal, both with stars. Also returning is Frederick McIlroy after serving three years in Africa, Italy and Germany.

For accident and health sales ideas, use The Accident & Health Bulletin. Write the A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, O.

New D. C. Unit Joins N.A.I.A.

WASHINGTON — J. H. Pumphrey was named state director of the National Association of Insurance Agents at the first annual meeting of the new consolidated Insurance Club of Washington Monday night. The local group is joining the N.A.I.A., the former's newly elected president, Ralph Lee, stated. Others on the slate published last week were elected officers of the club. Directors named were Samuel Kauffman, Albert Phillips, Lawrence C. Crawford, Maurice May, Henry Young, C. Ralph Barker.

A feature of the meeting was a talk by A. L. Kirkpatrick, U. S. Chamber of Commerce insurance department, on how the insurance industry has met past crises and will meet present and future ones.

The guests got a good laugh when a ventriloquist, through a "Charlie McCarthy," kidded insurance officials present about a "500%" rate reduction to "save \$4 billion," in allusion to the recent officially ordered reductions in fire and extended coverage rates here.

From now on American insurance leaders must consider whether insurance is prepared to meet the needs of international trade and commerce, Mr. Kirkpatrick declared.

Form Pacific C.P.C.U. Chapter; Bennett Head

LOS ANGELES — Formation of the Pacific chapter of C.P.C.U. was approved by the directors of the national society at a meeting in New York. It is the first one west of Chicago. The chapter will have its headquarters in Los Angeles.

Officers are: President, Walter W.

Bennett; vice-president, Robert L. McWilliams; secretary-treasurer, Rees E. Roston. Mr. Bennett is also Pacific Coast director of the National Society of C.P.C.U. and is the instructor in the university extension division, University of California, which is the accredited school in southern California approved by the California department.

Although the new chapter has been started by California men, membership will be open to brokers and company men in California, Oregon, Washington, Idaho, Utah and other Pacific basin states who hold the C.P.C.U. designation.

Accountants' Joint Group Meets in N. Y. Nov. 27

NEW YORK — The joint committee of fire and casualty company accountants on uniform accounting will meet Nov. 27 at the Hotel New Yorker. The group is composed of a subcommittee of the Insurance Accountants Association and of the Association of Casualty & Surety Accountants & Statisticians.

Representing the fire accountants are J. M. Donovan, Travelers; Harold Jarvis, Pearl; W. E. Lister, Home; F. M. Dominick, Boston; J. W. Dillon, Buffalo; G. T. Dearborn, Potomac, and D. F. Kirschman, Aetna Fire.

Casualty representatives include T. F. Tarbell, Travelers; J. C. Barrow, American Surety; F. A. Eger, Indemnity of North America; C. V. R. Marsh, Fidelity & Deposit; Joseph H. Broucek, Hartford Accident; J. C. Montgomery, Bankers Indemnity; and Nellie Black, Maryland Casualty.

The committee's object is to modernize the annual statement blank for fire and casualty companies. Also to be studied is the possibility of eventually merging both these blanks into one if this can be done.

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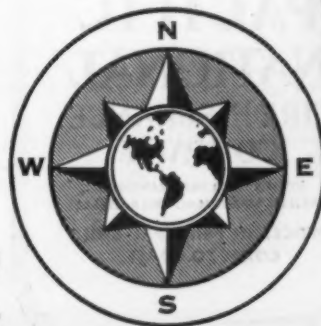
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Commissioner Asks Cooperation in Md. Assigned Risk Plan

(CONTINUED FROM PAGE 3)

automobile service concerns which sell membership instead of insurance. "If you are going to be agents, be agents. Don't sell a washing machine with a little accident policy thrown in," he said. Two of these concerns have been put out of business in the last 10 days by the department after an investigation of their activities. The commissioner did not make clear exactly how these concerns operate, nor did he mention any names, but it was generally assumed that he referred to local towing and automobile service clubs, which are sometimes not licensed to sell insurance.

He said that legislation in the state during the past year has been very successful and this was in a large part due to the aid of the association. He complimented the agents on their school fire prevention program and congratulated the retiring president, William M. Scott of Baltimore, on his close work with the department.

The commissioner spoke at the convention luncheon at which Mayor McKelvin of Baltimore greeted the agents and said that now is no time to let down as the problems of peace are tougher than those of war.

President Scott Reports

The passage of legislation providing for a state rating bureau and the creation of this bureau have been the two major factors in the year's activities, Mr. Scott said in his presidential report. An agreement has been reached whereby a rating bureau domiciled in Baltimore is to be created and an advisory committee of agents from the Maryland association allowed to review rules, rates and forms before they are presented to the commissioner for approval, he explained, and said that he feels that the problem has been worked out for the best interest of all concerned.

An increase of membership was reported by the membership committee.

Warfield Announces Bulletin Changes

Guy T. Warfield, Jr., vice-president National association and state director of the Maryland association, stated in his report that a change in the staff and style of the American Agency Bulletin has been made. John N. Cosgrove, author of the fire prevention manual, feature writer and field man for American of Newark, is to be the new editor succeeding Russell Rhodes.

The policy of the bulletin will be changed and it will interpret and explain the news rather than confining itself to reporting.

Mr. Warfield called attention to the changes of the New York office staff and praised the work of the newly elected secretary, Frank Colridge. He reviewed the activities at the N.A.I.A. meeting and said that he expected the association to be much more effective in the future and a greater help to the agent and their problems.

The agents have little to fear from the S.E.U.A. decision, he said, as for many years the agents organizations have stood up under state anti-trust laws and there is no reason why they could not meet all the requirements under public law 15.

Opportunity to Solve Problems

The various states have an excellent opportunity to work out their problems and prepare themselves fully for the issues that may arise in 1948. He mentioned specifically that the new Maryland state rating bureau presents an opportunity for the next two years for the agents to adjust themselves and arrive at a satisfactory plan, although, he said, that passage of legislation in all of the 48 states is likely to prove quite difficult.

For this reason the National association must exert itself to the utmost to see that every state does achieve an approved program. The states must grant authority for the N.A.I.A. to act,

even though some states autonomy may be jeopardized, he said, so that the National association will be able to act in the capacity of spokesman for all agents.

New legislation may ultimately regulate agents' commissions, so agents must put forth every effort to put across adequate legislation to convince both the public and the legislature that the cost of operating an agent requires a fair commission and that the service rendered is equal to the amount received.

The large agencies in Maryland contribute a ridiculously low amount of dues to the association, Mr. Warfield said. He explained that the larger agencies should be willing to contribute a larger portion based on their volume. This plan would greatly facilitate the greater financing required by both the state and national associations in their expanded activities.

Company-Agency Relations Problems

It is surprising that good relations between companies and agents could exist when there are bound to be diverse opinions, between various agents, companies, commissioners, and rating organizations, according to Harry F. Ogden, president Fidelity & Guaranty Fire. That all of these factors can be reconciled without a burden being placed upon the public is due to good public relations, he said.

There is nothing mysterious about public relations, he explained, it is a simply planned effort to make friends for a company, an agency or an institution. The relationship of an agent with his clients, or the adjustment with the assured who has suffered a loss is vastly more important than columns of publicity or widely circulated display advertising, because relationships of this type are the very heart of insurance operation.

Companies and agents for a long time remained silent when many industries, as well as governmental departments, had launched public relations campaigns. The good repute of the business can be upset by misinformation or unfounded criticism, he said. Insurance is a cautious and conservative business and while playing a major role in the social and economic development of a country, it has too often kept silent when it could have spoken out.

Much Misunderstanding of Insurance

He reviewed the survey of the American newspaper publishers associations which was made in 1943 and disclosed a tremendous amount of misunderstanding by the public of the insurance business. Although 95% of the people felt that insurance was well run they differed widely in opinion as to how it was run or the amount of profit made, he explained.

Mr. Ogden stated that the agent is the contact with the public which can clarify

these questions. The insurance buyer receives nothing concrete or tangible from the company, such as an automobile or a radio, on which he can formulate judgment as to quality and performance. Therefore, the agent himself is the insurance business to the policyholder. Mr. Ogden explained that the agent is the consumers' point of contact with insurance and he judges the business by his relationship with the agent.

Rating Bureau Aids Relations

The creation of the Maryland Rating Bureau is an opportunity for companies and agents to get together even more closely. Mr. Ogden said that the agents have an excellent opportunity to make the operation of the rating bureau a success as they are the ones who have the daily contacts with the insuring public.

The bank and agent auto plan presents a tremendous opportunity to the insurance agent, but may turn into misfortune unless the agents begin their work upon this plan immediately and concentrate on putting it across, he stated. If nothing is done and history repeats itself, 60% to 70% of the new automobiles will not be insured with local agents but with insurance companies owned by large finance companies, he said. If the opportunity is grasped and the plan successfully supported, the agent will retain business on the books and salvage the business that would normally have gone to other sources.

An excellent attendance greeted all the speakers at the various sessions, about 100 being present at the morning session the second day at which Mr. Ogden and Mr. Warfield spoke. Over 250 attended the banquet held the first night at which the speaker was Sir James Elwell-Cowie, a professional humorist, who entertained the gathering with a talk. The afternoon session on the second day consisted of a postwar business forum divided into three parts.

POST-WAR FORUMS

Walter H. Kincannon, superintendent automobile department U. S. F. & G., Howard F. Johnson, manager Assigned Risk Bureau, and E. Stuart Windsor, vice-president Warfield-Roloson Co., lead the discussion of the assigned risk plan.

Mr. Kincannon reviewed and explained the plan, which went into operation the first of October, so as to be ready and working when the financial responsibility law went into effect the first of next year. He said that not more than 200 or 300 assignments per year are expected, quoting the figures from the other states now having the plan in effect which would tend to prove this.

Explains Maryland Plan

The companies and the agents are responsible for the publicity of the plan, he explained, the governing committee consisting of the National Bureau of Casualty & Surety Underwriters, the National Automobile Underwriters Association, the non-affiliated stock companies, non-affiliated mutual companies.

Utah Home Fire Insurance Company

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Heber J. Grant & Company	20 1/2 South Main, Salt Lake City, Utah
Lamping & Company	Colman Bldg., Seattle, Washington
Lamping & Company	Spalding Bldg., Portland, Oregon
Southwestern General Agency	Title & Trust Bldg., Phoenix, Arizona



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of the legions who gave

their lives...and in

grateful tribute to them

and to the millions

who bravely fought,

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might again prevail...

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that Victory is not the

end, but the beginning.

In the difficult days of

readjustment, let us dis-

play the same unity

and determination that

brought about the de-

feat of our enemies...

for each of us must

share the responsibil-

ity for America's future.

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NATIONAL
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HOME OFFICE: SAN FRANCISCO
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OFFICES IN PRINCIPAL CITIES
COAST TO COAST

These agencies will manage the plan in Maryland.

Mr. Johnson explained how the plan would work in Maryland. Three letters of rejection are required before an assignment will be made, he said, but a man may be automatically declined if guilty of conviction during the past year of one of 11 offenses. The plan is by no means to allow companies to sidestep their obligations, it is only to protect drivers under the financial responsibility law who are unable to place insurance in the regular channel. Assignment will be on the basis of the largest premium writing companies, i.e., \$100,000 premium companies will take 100 cars, etc., in the order of assignment, he said. An agent for several companies may decline only for one company, it was explained.

The forum on the bank and agent auto plan was led by Albert H. Michaels, U. O. Michaels & Co., Andrew J. Hundertmark, assistant vice-president Union Trust Company of Maryland, and Edward J. Richardson, McMillen, Crane & Mullikin.

Mr. Hundertmark declared that some 15 banks in the Baltimore area are operating in the plan, charging 4% to 5% interest depending on the individual bank. The banks will publicize the plan to their depositors and members through the mail and also will advertise in the newspapers anonymously.

Mr. Richardson explained the new errors and omissions interim-binder policy to the agents, which will cover the banks on financed cars that are not fully protected through an omission in the writing of a policy by the agent. The interim-binder will cover the period the policy is not in force through oversight or error only.

It is an excellent idea to start getting prospects approved for credit now so that when the cars are available loans can be made more quickly than through the finance companies, Mr. Michaels told the agents. If the agents contact their present policyholders and prospects immediately they will have a good chance of obtaining a large volume of business, he said.

Agents Approval Acceptable

During the question period H. F. Ogden, president F. & G. Fire, stated that most agents know their assured and the agents record with the companies can fairly well determine how correct his estimate of the assured's credit would be. Mr. Hundertmark said that the banks feel that a good agent's recommendation is in many cases sufficient for credit approval.

Palmer Nickerson, attorney motor vehicle committee, A. B. Nickerson, vice-president Maryland Casualty, and Bertram L. Boone, II, vice-president Poor, Bowen, Bartlett & Kennedy, were in charge of the forum on the automobile financial responsibility law. Palmer Nickerson reviewed the history of the law in Maryland and other states and the reason why it had become necessary to put it in effect in Maryland. He explained the law to the agents, emphasizing that it was not a new law but simply an amendment to the present statutes.

A. B. Nickerson said that the law will present a chance to increase the business and that agents should go out for it and not leave the public in a position where they would be caught without insurance. Mr. Nickerson said the insurance companies in Maryland are cooperating fully with the plan and with the assigned risk plan.

A number of home office executives were present during the session from companies domiciled in Maryland. H. F. Ogden, president; C. B. Gamble, vice-president, and Frank Dorsey, vice-president, were among those representing F. & G. Fire. U. S. F. & G. had a large number of people present including Joseph F. Matthai, vice-president; Philip F. Lee, vice-president; G. Porter Houston, treasurer; J. Dillard Hall, assistant agency director, and A. E. Perry, manager for Canada.

A. B. Nickerson, vice-president casualty department; Leslie Wilson, man-

ager fidelity department; James M. Bugbee, manager automobile department; Charles E. Herget, manager compensation and liability department, and M. N. Kolb, assistant vice-president surety department, were among those present in the Maryland Casualty delegation.

Fidelity & Deposit had two tables at the banquet and among those from the home office were John G. Yost, first vice-president American Bonding; B. H. Mercer, second vice-president; H. L. Dunn, vice-president in charge of agents; Owen A. Donegan, manager Maryland state office.

H. L. Van Horn, executive vice-president; Fred D. Cunningham, secretary and general counsel; William Washburn, assistant secretary; Walter Downey, assistant secretary, and Roy H. Shumaker, manager Maryland service office, were a few of the Pennsylvania Casualty executives present.

Central of Baltimore was represented by C. H. Roloson, Jr., president; Richard Teano, agency secretary, and Robert B. Stegmaier, special agent for

Maryland of the North America companies.

Frank A. Doyle, branch manager Car & General, was among those present for that company.

R. E. Minner, secretary; Carl Ane-lang, New York underwriter, and M. F. Harris, manager Baltimore office, were a few of the representatives from National Liberty.

John M. Owen, manager Philadelphia office of Corroon & Reynolds, represented that group at the meeting. Norman T. Robertson, superintendent of agents of Zurich, was present for his company.

Seawell Superintendent of Engineering for Five States

Henry Seawell, fire survey engineer of Travelers Fire in Charlotte, N. C., has been appointed superintendent of engineering for Alabama, Florida, Georgia and North and South Carolina and will have his headquarters at the Atlanta branch office.

Royal Exchange to McGee for Marine

Royal Exchange has appointed Wm. H. McGee & Co. of New York City as U. S. marine managers, effective Dec. 31, 1945, succeeding Appleton & Cox.

Zone 2 Commissioners Meet

WASHINGTON—At the semi-annual meeting of Zone 2 of the National Association of Insurance Commissioners, Commissioner Harrington of Massachusetts, chairman of the committee on laws and legislation, reviewed the general situation with respect to public law 15. Discussion which followed centered around the question as to the pattern of legislation that might have to be passed to meet the impacts of the Clayton, Robinson-Patman, federal trade commission and Sherman anti-trust acts. Local problems also came in for some discussion. All states included in Zone 2 were represented. George A. Bowles,



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Insuring clause for every policy is explained, the total and partial disability provision wording is given. Hospital indemnity, nurse's fees allowance explained. Waiting period is told. Surgeon's fees, elective indemnity, identification amounts, aviation coverage and any special indemnities or provisions such as waiver of premium, recurring disability, aggregate indemnity allowed, what riders may be attached, etc., are in each description. Limitations and exclusions of every policy are fully stated.

Mail Order and Special Policies Included

Special policies such as limited contracts are described fully. Non-occupational policies, overage policies, reimbursement contracts, non-cancellable policies, contracts written only on women, hospitalization policies (if written individually—not group), and special aviation contracts are all included. Contracts sold through mail only and not by agents, as well as traveling men's associations. Stock and mutual company policies are in the Time Saver.

Full Information — Not a Chart

The Time Saver is not a chart, it is a book which lends itself to variation in describing contracts. Synopsis of every policy is condensed (but complete) for quick, easy reading.

It takes only a few minutes to read a Time Saver policy synopsis and know what is included. By unique Time Saver description method you understand the wording of the original contract.

Method of indexing entire contents of the Time Saver makes it especially easy to use the book. All policies of each company are together. The companies are in alphabet order. A special index lists contracts by their policy names with page reference, when issuing company is not known to user.

Facts About Companies in 1945 Time Saver

The Time Saver shows assets of each company, surplus, capital, premiums earned, and losses and adjustment expenses incurred.

All figures are on annual basis complete up to January, 1945.

Group accident and health premiums received and benefits paid for larger group disability writing companies are included.

Blue Cross hospitalization subscriptions received and amounts paid are in the Time Saver.

Non-cancellable premiums and losses for each company.

Life insurance company total disability provisions with maximum indemnity available therein stated.

A company index lists states where licensed to do business, names of officers, when company was organized, types of business written (commercial, etc.) and manual used.

The 1945 Time Saver contains the policies being written in your state now. All information is condensed and organized. Descriptions are complete.

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NEW YORK

CUTTER & JEFFREY IN LIFE FIELD

Appointment of the firm of Cutter & Jeffrey, 41 East 42nd street, New York, as associate general agents to the John A. Campbell General Agency, is announced by Manhattan Life. Cutter & Jeffrey was founded in the early 1880's by George L. Cutter.

Since its founding, the firm has represented London & Lancashire for fire insurance.

The firm has specialized in management for banks and trust companies, with real estate and mortgage interests widely represented.

G. Pratt Cutter, son of the founder, went with the concern in 1903, and when Safeguard, a subsidiary of London & Lancashire, was organized in 1915, he was appointed New York manager.

Coinciding with the founding in 1915 of London & Lancashire Indemnity, George L. Cutter was appointed general agent for New York.

Townsend Cutter, of the third generation of the family, served as vice-president of George L. Cutter, Inc. He died in service in 1943.

In 1943, William C. Jeffrey joined the firm as a vice-president. He has been in the general insurance field for 20 years.

FOUR REINSURERS RESIGN

Four reinsurance companies have resigned as members of the National Board, reportedly because of objection to the membership assessment. Those companies are Skandia, Prudential, Swiss Reinsurance and Northeastern.

TO WITHDRAW FROM EXCHANGE

General and the affiliated First National of Seattle have filed notice of intention to withdraw from the New York Fire Insurance Exchange. The effective date of the resignation is Dec. 12.

First National decided to issue participating policies in the New York area two years ago and although this was in violation of the exchange agreement, the management refrained from resigning. No penalty was imposed upon First National by the exchange and it continued as a member.

Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Re-conversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

The AMERICAN APPRAISAL Company

VALUATIONS • PROPERTY RECORDS
DEPRECIATION STUDIES

Hurd Lists Points on Insurance Advertising

ST. LOUIS—Points that must be taken into consideration in any insurance advertising were brought out by E. R. Hurd, Jr., advertising manager of American Automobile, in his address on "Plan First—Then Advertise" before the Insurance Board of St. Louis. He said improperly prepared advertising is like trying to water a lawn with a drinking glass.

"The garden hose, on the other hand, gives you the pressure you need. It also gives you direction and control of the stream so that you can cover the area you are trying to reach. Good advertising is much the same. It requires a forceful selling message directed through the proper media, to reach the customers you have selected in advance. In addition the garden hose gives you a continuous flow of water. This is necessary in your advertising too. Only we think of it as continuity and repetition.

"When you go out to sell, it costs you only your time. When you advertise, it costs not only your time but also money for production and space. So it stands to reason that as much—if not more—thought and planning should be given to your advertising as is given your selling.

"As a matter of fact, each of you has been advertising ever since you started business. Every time you write a letter, make a 'phone call or see a prospect you're affecting the people with whom you are contacting. Advertising doesn't increase sales; it affects people, and the people increase the sales. So advertising and public relations, as it concerns most of you, can be boiled down to these questions: Are you reaching the people whom you want to hear you? Are you affecting them favorably?"

Mr. Hurd outlined the steps necessary to make a sale:

"(1) You decide what you are going to talk about and the results you expect to obtain. (2) You decide on whom you will call. (3) You decide how you will tell your story (this depends, of course, on whom you call and requires that you get the facts and make your story interesting). (4) You will ask for specific action on the part of the customer (generally in the form of a request for an order). (5) If you don't make the sale at your first call, you certainly will follow it up either by 'phone or another personal interview, and (6) you will plan to look your best at the time you make your call.

"A good salesman does all of these things so many times that they become subconscious actions," Mr. Hurd added. "Most of you may not even be aware of the various steps you take. But the point is, they parallel very closely the steps involved in directing your advertising."

Getting tangible results is one of the headaches of the advertising man, Mr. Hurd said. In preparing his campaign he must determine first whether to try for an immediate response or favor results through a long, hard pull. Even under the most favorable conditions it is often difficult to accurately gauge the tangible results of advertising. He also emphasized the necessity for properly following up any advertising that may be used.

Clem E. Wheeler, retired western manager of Hartford Fire, was presented by the employees with a handsome motor boat before he left for Ft. Lauderdale, Fla., where he will reside. The boat was taken to the office in the Wrigley Annex, Chicago. It was necessary to take the top off the freight elevator to get it to the Hartford Fire office. The boat was placed in the middle of the entrance way and Mr. Wheeler was called out to receive it. It was a real surprise to him.

Fear Fire Hazard in Maintenance Men Striking

With the onset of colder weather, the possibility that the current epidemic of strikes in industrial plants may include maintenance and service employees and perhaps make it impossible to maintain sprinkler service has become a source of some concern to insurers. This danger was well illustrated by the walk-out last week-end of service employees at the Yale & Towne plant at Stamford, Conn., about two weeks after the rest of the workers had gone on strike.

Necessity of shutting down the sprinklers was averted, as executives and supervisors pitched in and kept the heating system and other essential services in operation. However, if other struck plants' executives were not available in sufficient numbers and with enough skill to carry on these specialized tasks, or if they were barred by the strikers it would probably be necessary to drain the sprinkler system in order to keep the pipes from bursting in freezing weather.

Insurance men believe it would be a wise move for union leaders not merely to decline to include maintenance employees in calling a strike but to insist that they remain on the job even though other workers may be striking. If a bad fire should result because sprinklers were not working and hence made it impossible for workers to go back to their jobs after the strike had been settled, there would obviously be a bad reaction among the rank and file of union members at this shortsighted policy.

Expense Ratio Curve Is No Cause for Shame: Kaplan

NEW YORK—Being in interstate commerce is nothing for the insurance business to be concerned about and the record of the business compares very favorably with other industries in that category, said Abraham Kaplan, of Powers, Kaplan & Berger, in his talk before the New York City Blue Goose. Mr. Kaplan's firm is counsel for the New York Fire Insurance Exchange, New York Board's loss committee and Eastern Underwriters Association.

If insurance suffers from anything it is the fear to stand up and maintain the principle that this industry is just as wholesome as others of fine reputation, he said. Mr. Kaplan attacked those who have criticized the companies and expense ratios as having gone constantly upward in past years and pointed out that premium income has gone down because of reductions in rates and that to ignore this shift in premiums is to present only one side of the picture. Rates, he said, are brought down because of the work that insurance men do and naturally the expense ratios become higher in proportion, because there are many elements of expense that are static and cannot shift with the reduction in premium. He said that insurance costs are not out of line and that if everything is considered it will be found that men in the insurance business are just as efficient as in any other business.

Philp M. Winchester, Fire Companies Adjustment Bureau and most loyal grand gander, spoke briefly in appreciation of Mr. Kaplan's talk.

Robert F. Moore of Boston, general chairman of the 1946 grand nest convention which will be held here, spoke on the plans for that gathering and urged all members to send in their cards indicating whether they will support the convention financially.

W. T. Murphy, F.C.A.B., Newark, most loyal grander, presided.

Asks Police Reporting Clause

John H. Richardson, broker of Oak Park, Ill., writes:

"Why can not the companies insert a rider that no claims will be paid unless a report has been made to the police?" "The writer has quite a few insured

who carry the small personal theft policies and has made a point of telling the insured that they should report all thefts to the police as that would insure a much better claim; that the policies do not contemplate the loss of small personal effects being covered but if there is a loss and they believe it covered, they should make a report to the police at once.

"My experience has been all to the good except for one burglary claim which was promptly paid after the thieves had been apprehended and part of the loot recovered.

"This should put the line on a profitable basis and is more than fair to the insured who sustains a loss."

British Labor Government Tells Stand on Insurance

O. D. Duncan, general counsel in this country for London Lloyds, has received a cable from Sir Eustace Pulbrook, chairman of Lloyds, that in introducing the assurance companies bill in the house of commons the president of the board of trade stated that the British government has no intention of interfering with the transaction of insurance by private enterprise except to the limited extent to which insurance in England may be affected by the existing proposal relating to personal social insurance and industrial injuries.

This statement is taken as making it clear that the labor government in Great Britain has no intention of interfering with or attempting to take over insurance. The only classes of insurance which will be affected are domestic to Great Britain and correspond roughly to social security and workmen's compensation in the United States.

Lawrence Fitzgerald, after 2½ years service with the army engineers including combat in Europe, is back with American Mutual Alliance. His duties include editing the "Journal of American Insurance."

WANT ADS

FIRE MANAGER WANTED

Old progressive agency wants man who will act both as manager of fire department and office manager. Prefer some one presently connected with Chicago office of company or agency. Good salary and bonus arrangement for right person. Our employees know about this ad. Write full particulars. ALL REPLIES WILL BE HELD STRICTLY CONFIDENTIAL. Address D92, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago, Illinois.

FIRE CLERK WANTED

50 year old Louisiana Local Agency making large post-war expansion wants experienced fire clerk familiar with local agency operations—age 30 years preferred, married or single—only persons presently employed who desire to improve their position in permanent employment need apply. References exchanged. All replies in strictest confidence. Address D-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT WANTED

Large non-board company has an excellent opening in southern Ohio for a well qualified fieldman with fire and casualty experience. Good salary for right man. Write Box D-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FOR SALE — CASH BASIS

Old, established, well known Fire and Casualty Insurance Agency in small Michigan City. Fine reputation and excellent companies. Unusual opportunity for development. Owner wishes to retire. Sale must be effective not later than Jan. 1st, 1946. Address D-94, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

POINTERS FOR LOCAL AGENTS

Describes Successful Telephone Prospecting

O'Connell Tells of Results of Cincinnati Agency's Sales Work

DAYTON — Arthur M. O'Connell, Cincinnati, manager Eureka-Security agency, made a decided hit at the fire and casualty conference sponsored here by the University of Dayton and the Ohio Association of Insurance Agents with his description of the prospecting and sales plans used by his agency and his remarks on insurance salesmanship in general.

An overwhelming proportion of the Eureka-Security agency's business is obtained from solicitors. Mr. O'Connell said that his office has about 20 men and women working as full-time solicitors and the major problem of his office is to see that they have no excuse for sitting in the office wishing they had someone to see.

Telephone Classification

A plan which Mr. O'Connell called "classification by telephone" has been highly successful. It is aimed at producing more personal business, with the emphasis on household furniture fire insurance and extended coverage, plus such other lines as the average household may be expected to need. Certain areas of Cincinnati are allocated to each solicitor, who picks out a street on which he would like to work. He may select a street, Mr. O'Connell said, in which he has business or has paid a loss, or because there has been a fire, burglary or other loss which has received at least neighborhood publicity. The choice is entirely up to the solicitor.

When the street has been selected, Mr. O'Connell said, the Eureka-Security agency catalogues the residents on an index card, using the city directory and telephone book and such other information as may be available. A telephone girl, selected for her intelligence, pleasant voice and willingness to undertake this work as a serious job, contacts every person so catalogued, making initial calls between 10 a. m. and noon and 1 and 4 p. m. After reaching the housewife, she asks whether or not her furniture and household possessions have been recently appraised. The answer is almost invariably negative whereupon the girl states quite frankly that the agency is in the fire insurance business, that one of its representatives is working in the neighborhood, that the agency will be glad to furnish her with an appraisal ledger and, if she wishes, the representative will be glad to assist her in establishing a reasonable insurance value.

Mr. O'Connell emphasized that the agency and the solicitor must consider this offer to be nothing more than sound service. The solicitor must be capable of judging current values on ordinary personal possessions and must be willing to do exactly what the office promises he will do. Wherever an exceptional case, involving items such as fine arts, expensive jewelry, etc., arises, the agency is prepared to arrange for an expert to handle the balance of the appraisal.

When the solicitor makes his call, he must be careful to make no presentation until he has carried out the appraisal agreed upon. Mr. O'Connell said that

they find invariably that most women and also most men like to talk about their personal possessions. The solicitor must not waste too much time until he is reasonably sure he can be of actual service. However, with the aid of a household inventory book, which almost any insurance company will supply, most ordinary homes can be appraised in less than an hour.

While the results of the appraisals do not surprise insurance men, they are a constant source of amazement to the prospects, Mr. O'Connell said. People have been accustomed to buying \$1,000 household furniture fire insurance when they are married and rarely think of increasing their insurance protection as their possessions inevitably increase. The prospects called on by solicitors have rarely seen their insurance agent and their usual sole contact with him is a renewal policy every three or five years, plus a bill and a form letter saying "if this is not satisfactory, please let me know." Most persons who are qualified for telephone solicitation by the Eureka-Security agency show an appraisal value of from \$1,500 to \$3,500. A surprising number have no insurance at all, hardly any have any form of personal or residence liability insurance, and a large number have automobiles and have never heard of the financial responsibility law of Ohio.

BRINGS RESULTS

Many refusals must be expected, Mr. O'Connell said, but the law of averages gives the agency a satisfactory number of acceptances. In five hours, a capable telephone girl will average 50 answered calls and from them will get 20 prospects and 8 or 10 appointments. Even where a definite appointment is not made as a result of the call, sufficient information is always secured so the agency can judge whether or not an exploratory call will be justified. From these 8 or 10 appointments, three sales will result and the average premium per sale is \$20. The solicitor, of course, attempts to sell not only fire insurance and extended coverage, but also automobile and comprehensive personal liability insurance, and a personal property floater sale will result in enough cases to make a presentation worthwhile.

Mr. O'Connell said he is completely sold on this method, despite its drawbacks and difficulties, for two important reasons: It gives the producer a definite place to go and something to do after he gets there; and it by-passes initial sales resistance and determines the status of the prospect under the most favorable conditions. He remarked that many agents long ago quit trying to sell household goods insurance and even considered the sale of automobile and personal liability insurance largely a waste of time. The enterprising agency that wishes to increase its business cannot afford to wait for clients, he said. It must follow the practice of every other merchandising organization and carry its wares to the people who need them.

Other Prospecting Methods

In addition to its telephone method, the Eureka-Security agency subscribes to a name service. Mr. O'Connell said several of these services operate in every

sizable community, and, for a moderate fee, will provide the agency with the name, address, family status and other pertinent information of all newcomers to the city. Any energetic prospector could get the same information from public utilities, moving men, newspapers, etc., but his agency finds it cheaper to purchase the names than to take the trouble of digging it out.

Another method of securing prospects is spot circularization, Mr. O'Connell said. He described several examples of this which have been profitable to his agency. A few years ago, the agency found that most dry cleaning receiving stations were purchasing insurance through wholesale cleaners under a master policy and at a charge of 2% of the cleaning bill. The average cleaner was paying \$2 a week or \$104 a year for insurance which did not cover garments taken only to be pressed and garments sent to other processors. The agency circularized 300 dry cleaners in Cincinnati, offering to write a broader form on a three year basis, with a premium financing plan available. About 100 of the receiving stations sent in return post cards and easy sales were made to about a third of them. Every other cleaner was indexed and called upon by a solicitor. Within the next five or six months another 35 bailee's customers' policies were sold at premiums ranging from \$75 to \$200, and practically all this business is still on the agency's books. The agency also has a healthy list of expirations secured by solicitors as a result of the original interviews and much collateral business has been written. Mr. O'Connell added that many cleaners who received circulars got in touch with their own agents and bought the same coverage through them. He said he did not resent this at all, because there is plenty of business to go around and the campaign was highly profitable to his agency.

A similar campaign was conducted among school teachers in Cincinnati, with 2,200 local teachers receiving a brief drawn up by a local law firm on the law of teachers liability and the need for insurance. Permission was requested and received to address teachers' meetings throughout the city and such solicitors as were willing to undertake these assignments were given them. As a result, 20% of the Cincinnati teachers were sold teachers liability insurance. While the premium is small, the agency made a card index of every teacher to whom a letter had been sent and distributed the cards to its solicitors. Many teachers are home owners, most of them have furniture and automobiles to insure and, above all, they are good substantial citizens who pay their bills on time and are an asset to any insurance agency. The results in collateral lines were outstanding.

The physicians and dentists section of the Cincinnati telephone directory was also a splendid prospect list, Mr. O'Connell said. Under current conditions, a solicitor cannot walk into a physician's or dentist's office and tell the receptionist that he wants to see the doctor to sell him some insurance. The Eureka-Security solicitors got in to see many doctors because they had been circularized with a newspaper clipping describing a \$50,000 judgment against an eastern doctor and asking the prospect where he would stand if a similar judgment were entered against him. It turned out that, even though most of the physicians and dentists carried malpractice liability insurance, the overwhelming majority did not have adequate limits. In addition to selling much malpractice insurance, the Eureka-Security solicitors wrote a lot of automobile

liability business, some surgical instrument floaters and a number of personal property floaters, all of which are staying on the books without trouble. The agency conducted a similar campaign among veterinarians. There were not enough of them to make this a big campaign and the orders for malpractice insurance did not have a large enough premium to amount to anything, but the solicitors were given names, names produced calls and the calls got in step with the law of averages, so the agency acquired more clients.

Insurer Not Liable for Agent's Finance Deals

A test case brought by Premium Discount Corp. of Rochester, N. Y., against Pacific Fire has been dismissed by Supreme Court Justice Gilbert at Rochester. The suit was to recover \$941 lost through alleged fraud attributable to a defunct agency of Pacific Fire. The insurer contended that it was not liable for fraud practiced by an agent in the financing of insurance premiums. Two officers of the defunct agency pleaded guilty in connection with the alleged fraud through which the premium finance company claimed to have lost more than \$225,000.

St. Louis Pond Hears V.A. Official

Percy Nash, regional director in St. Louis for the Veterans Administration, discussed various phases of the G.I. bill of rights before the St. Louis Blue Goose. Robert M. Ginsburne, Home, supervisor, presided in the absence of William A. McKinzie, Underwriters Adjusting, most loyal gander, who is confined to St. Luke's Hospital by illness but making a good recovery.

Cleveland A. & H. Group Meets

At the November meeting of the Cleveland Association of Accident & Health Underwriters, Gilbert H. Knight, second vice-president of the National association, reported on the recent meeting of the national executive board in Chicago.

Lloyd H. Feder, Reliance Life; Irvin C. Lear, Travelers, and Walter J. Sullivan, Monarch Life, discussed "The Human Side of Accident and Health Insurance," each giving a ten-minute talk, after which the subject was thrown open to general discussion.

The Cleveland association voted to rejoin the Ohio state association.

Associated to Make Rate Cuts

Associated Aviation Underwriters have announced that their liability rates will shortly be reduced, in some cases as much as 55%. The full rate scale on liability is expected in about a week. This will be the third rate reduction in 18 months on this type of insurance.

O. K. Deviation in Oklahoma

Automobile deviation filings of National Mutual Casualty have been approved by the Oklahoma State Insurance Board.

There is a 20% deviation from the National Bureau manual on private passenger B. I. rates, and elimination of the age restriction for eligibility to A-1 rating.

Post-war rates and coverage on fleet and passenger automobiles will be discussed by Louis H. Antoine, St. Louis branch manager of American Associated companies, before the insured members' conference of the Associated Industries of Missouri at St. Louis.

EDITORIAL COMMENT

Let's Keep a Little Streamlining

The wartime curbs that eliminated many meetings and streamlined others down to their essentials had one good effect: Superfluities were very largely eliminated. There was no place for a lot of extraneous speech-making and those speeches that were made were pretty much pruned of needless wordage. Now that there are no longer such restrictions there is danger of going back not only to the pre-war level of verbosity but even of cutting loose from such restraints as existed in normal times.

Insurance is known for being the "meetingest" business but some sort of restraints should be exercised voluntarily by program chairmen and by speakers themselves. If there is any tendency, and there doubtless will be at least that, toward overstuffed programs and windy speech making, wallowing in the luxury of freedom after four years of wartime restrictions, it should be checked at the start or the results will be dreadful to contemplate.

Unfortunately the role of speaker before any kind of gathering, particularly where there are quite a few others on the program, is a severe test of human decency and considerateness. Too frequently a preliminary speaker will stretch out his remarks far beyond his allotted time and put those who are near the end of the program, who are often the big attraction for the audience,

in the unpleasant position of having to curtail a carefully prepared talk or further detain their listeners, who are already surfeited with speeches. In fairness to many of these preliminary speakers it must be recognized that they are not so experienced as the headliners. They do not know how to prepare and organize a speech so it will be brief but effective and hence are prone to ramble, becoming so fascinated with the sound of their own voices that they mistake the audience's courteous silence for enraptured attention.

One difficulty is the fiction that it is such an honor for a man to consent to give an address that it would be discourteous to inform him definitely that he is supposed to take not more than a specified time. Actually, most of those who speak are as pleased at the chance to expound their views as the audience is to hear them. If it could be generally understood that a 20-minute speech is to last no longer than 20 minutes everyone would be happier, including the speakers themselves, whom courtesy requires to sit through the talks of their fellow speakers even though many of those down in front manage to sneak out through the kitchen. So if the best features of wartime streamlining can be kept, it should go far to make conventions and other meetings enjoyable and more satisfactory to all of those in attendance.

Personal Responsibility of the Agent

Sometimes we have an exceptional and graphic illustration of the personal responsibility of agents. A great majority of people do not insure with a company but with an agent. Very few of them know the name of the company or companies which carry their insurance. They have confidence in an insurance man and they leave their insurance transactions in his hands. He is the insurance man and company to them.

In the Insurance Exchange at Chicago there are 11,000 insurance employees and about 300 different insurance enterprises that are independent, such as agencies, company offices, associations, individuals and so on. People come to the building from the Chicago area when they want to find out something about insurance because they take it for granted that there must be someone in that great structure that could give them information. Often they come to see something about their insurance and

they invariably apply for the agent or broker. He is the man to whom the inquirer looks for information and service. He may be some obscure broker and it may be difficult at times to locate him. Those who come to the building seldom know the name of the firm, the branch office or the organization where the producer is housed. They only know the man with whom they dealt.

Another feature of interest is that when a person comes to the building seeking some sort of information about insurance the elevator men almost invariably direct him to the office of THE NATIONAL UNDERWRITER. They feel that this publication has the information desired or can get it. Many inquiries are made about companies. The person furnishing the information may go to a book of records and read something about the financial structure. He is always confronted with this sort of observation: "We do not understand all those figures. All that we want you tell

us is whether this company is a good one or not."

There are two lessons we can learn from this, one that an agent is personally responsible to his assured for his protection at least in the assured's esti-

mation and therefore should appreciate the position in which he is placed. Next he should have a care about the company he represents. If a person represents a "good company" the policyholder is satisfied.

PERSONAL SIDE OF THE BUSINESS

State Treasurer J. Edwin Larson of Florida, who is also insurance commissioner and Deputy Commissioner D. D. Murphy of South Carolina were at the Edgewater Beach Hotel, Chicago, for the meeting of the National Association of Securities Commissioners.

Miss A. V. Bowyer, executive secretary of the San Francisco Life Underwriters Association and for many years correspondent there of THE NATIONAL UNDERWRITER, who was stricken with a heart attack about two weeks ago, has recovered sufficiently to leave the hospital, where she was confined for 12 days. She is now at her sister's home, where she is expected to remain for another month.

Edwin J. Meiners, general agent of the automobile department of North British, was guest of honor at a departmental luncheon tendered by his associates in recognition of his 35th anniversary. Secretary A. E. Lehman, in behalf of those assembled, presented him with a gift.

Mr. Meiners joined the group in the western department. After serving in the army, in the first war, he was appointed in 1925 as field inspector. In 1926 he was assigned as special agent for Minnesota and in 1928 as special agent for Illinois. In 1929 he was recalled to the home office as assistant general agent in the automobile department, and in the same year was advanced to general agent.

Oscar West, Washington representative of National Association of Insurance Agents, went to Chicago last week to attend the annual meeting of the American Trade Association Executives. Others from the insurance ranks attending were Mrs. Lillian L. Herring, secretary Illinois Association of Insurance Agents, and Miss Marie Meade, executive secretary Health & Accident Underwriters Conference.

Sherman Leseth, special agent in Illinois for Planet and Standard Accident, is in San Francisco visiting the Leseths' son, who is in the navy. Mrs. Leseth accompanied him. Mr. Leseth is wielder of the Illinois Blue Goose.

R. H. McLarry of Dallas, president of the Texas Association of Insurance Agents, who suffered a collapse after he returned from attending the N.A.I.A. convention at Chicago, is still confined to his bed and his condition will make it imperative that he follow that regime for some weeks to come. He has developed a heart condition which will require much rest. He has worked hard in building his own agency from scratch. He is much interested in the state and National associations.

Lyle H. Gift, Peoria, Ill., agent, has been broadcasting Sunday evenings over a Peoria station for over five years. In his spot broadcasts he has been featuring safety information, although he is devoting several messages to the new Illinois automobile financial responsibil-

ity law. He has provoked much comment with his sign off: "Drive carefully—you may meet a customer of the Lyle H. Gift Insurance Agency."

W. H. Lininger, Evanston, Ill., retired co-western manager of Springfield F. & M., and Mrs. Lininger have left for Tucson, Ariz., where they spend the winter. They stopped en route at Oklahoma City to visit their son, Herbert, state agent of Springfield F. & M.

DEATHS

James E. Anderson, 32, a member of the Knepper, White & Dempsey law firm at Columbus, is dead. He was a member of the International Association of Insurance Counsel and was active in insurance legal affairs.

Charles A. Durand, 85, retired attorney and one-time deputy Michigan commissioner, died at Flint, Mich. He served in the insurance department in 1915 under Commissioner Winship and the following two years was manager of the Michigan state accident fund.

A. P. Hechtman, local agent and banker of Osseo, Minn., is dead at the age of 61.

Robert L. Archer, 74, veteran Huntington, W. Va., local agent and former president of the West Virginia Bankers Association, died from heart trouble.

Foster W. Letts, 45, special agent and adjuster for Mutual Fire & Tornado of Cedar Rapids, died at his home at Des Moines following a heart attack. He had been in the adjusting business in Iowa and Illinois for 20 years.

Peter S. Aslakson, 93, actively engaged in the local agency business at Cannon Falls, Minn., until he was 90, is dead. He retired three years ago.

Charles H. Huesemann, 62, local agent at Appleton, Wis., died at Wisconsin General Hospital in Madison after a long illness.

John F. Leikert, state agent in New York for Northern of New York, died following a heart attack at the age of 60. He had been with Northern 44 years, having started in the supply department.

William A. Hoskin, president and manager of the Ohio Cooper Insurance Agency Company, Dayton, died in a hospital following an operation preceded by a short illness.

Mr. Hoskin would have been associated with the agency 50 years Dec. 15. During that long period of service he was a leading local agent in Dayton.

Lawrence B. Page, 58, prominent Boston broker, died at the Marine Hospital in Brighton. He served as captain in the first World War.

You get sales ideas from the top-notchers in the A. & H. Bulletins. Write The A. & H. Bulletins, 420 E. 4th St.,



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BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 6867. Ernest E. Hess, Resident Manager.

BOSTON 10, MASS.—944 Park Square Bldg., Tel. Hubbard 8696. Ralph E. Richman, Vice-President.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, W. A. Scanlon, and A. S. Cutler, Associate Managers. L. N. Yellowless, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.

DALLAS 1, TEXAS—802 Wilson Bldg., Tel. Central 5832. Fred B. Humphrey, Resident Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—503 Northwestern Bank Bldg., Tel. Bridgeport 7838. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—R. B. Mitchell, Eastern Editor; Dorothy B. Paul,

Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3790. E. H. Fredrikson, Resident Mgr.

SAN FRANCISCO 4, CAL.—507 S. 3rd Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Miss A. V. Bowyer, Pacific Coast Editor.

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Revisions in Statement Blanks

(CONTINUED FROM PAGE 1)

reason, other than custom, why real estate should appear as our Number 1 asset? It certainly is not a current asset. Neither should mortgage loans appear in second place."

Endeavoring to propose a balance sheet that would reasonably follow accepted accounting practice, Mr. Miles pointed out that assets are generally classified in broad groups and in the following order: Current assets, investments, property plant and equipment, deferred charges, and other assets. Insurance companies are not concerned with inventories and intangible assets do not belong in their balance sheets. He said that no one can deny a very substantial item of good will but "let us not attempt to compute it or to carry it on the balance sheet."

Under current assets the first item should be cash. Next, marketable securities—bonds and stocks. Good accounting practice requires that investments in subsidiary companies or other investments which are not readily marketable should not be included among current assets. Mr. Miles conceded that many companies have substantial investments in subsidiary companies and may not agree with this view but he said there should be no compromise with fundamentals.

CONSERVATIVE BASIS

Marketable securities should be stated on a conservative basis of value. Discussing the need of so called convention market prices, he said that all the committee on valuations would have to do is to prescribe a basis of supplying quoted market prices which are widely published. He suggested that sales prices, where a sale has been recorded on the closing day, be used and that bid prices be used on that day when no sale has occurred. When no actual sale, or bid is recorded on the last business day then the nearest sale or bid price within a 10-day period should be used. In this way there would be a uniform basis of pricing securities not only at the year end but at any other date.

Notes and accounts receivable could include any collateral loans, adequately secured, which would be due within three months of the statement date but if the company wanted to be conservative and carry these latter under investment, no one could seriously criticize such treatment, he said.

Should both fire and casualty companies go to a true incurred basis, the present methods of recording premium accounts might well be continued. In fact, should the fire business turn more to the item method rather than the accounts current method of collection, the fire business may very well have to adopt the casualty system of accounting. Either method however should not influence the manner of reporting for statement purposes, just as statement requirements should not unduly influence methods of accounting, although the fact remains that in the past such influence has been material.

Mr. Miles said that under current assets there should be reflected as accounts receivable (1) amounts due from agents, brokers and assured, less amounts more than three months due; (2) amounts due from other insurance companies; (3) amounts due from subsidiaries. On the liability side of the balance sheet, under current liability, he would show amounts due to other insurance companies and amounts due to subsidiaries.

After outlining his suggestions for the liabilities side of the balance sheet, which he said presented no great problem, Mr. Miles said that no one can deny the need for a concise, understandable statement of surplus, reflecting the changes during the year or period reported on



"I USED TO HAVE ALL HIS BUSINESS BEFORE THE TWO BEGAN COOPERATING."

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Nov. 19, 1945

	Par.	Div.	Bid	Asked
Aetna Cas.	10	2.50	85	88
Aetna Fire	10	1.80	58	60
Aetna Life	10	1.50	51	53
Amer. Alliance. 10	1.20	23 1/2	25	
Amer. Cas.	10	.60	12 1/2	13 1/2
Amer. Equitable 5	1.00	21 1/2	23	
Amer. Home	10		11	12
Amer. (N. J.)..	2.50	.60	19 1/2	20 1/2
Amer. Surety ..	25	2.50	70 1/2	73 1/2
Balt. Amer.	2.50	.30	7	7 1/2
Boston	100	21.00	690	710
Camden Fire...	5	1.00	24 1/2	26
Contl. Cas.	10	1.80	54	55 1/2
Contl. Assur....	10	1.20	45	47
Contl. N. Y.	2.50	2.00	58 1/2	60
Fidelity-Phen..	2.50	2.20	61 1/2	62 1/2
Fire Assn.	10	2.50	63	66
Firemen's (N.J.)	5	.40	15	16
Fireman's Fund	10	3.00	108	110
Franklin Fire..	5	1.00	24 1/2	26
Glens Falls ...	5	1.85	51	53
Globe & Repub.	5	.50	10 1/2	11 1/2
Gt. Amer. Fire. 5	1.20	.35	37	
Hanover Fire..	10	1.20	31 1/2	33
Hartford Fire..	10	2.50	114	117
Home (N. Y.)..	5	1.20	29 1/2	30 1/2
Ins. Co. of N. A.	10	3.00	108	110
Maryland Cas..	1		16	17
Mass. Bonding.	12.50	3.50	90	93
Natl. Cas.	10	1.25	42	44
Natl. Fire	10	2.00	60	62
Natl. Liberty ..	2	3.80	7	7 1/2
Natl. Un. Fire..	20	5.00	180	185
New Amst. Cas.	2	1.00	32 1/2	34
New Hamp.	10	1.80	47 1/2	49
North River ...	2.50	1.00	25	26 1/2
Ohio Cas.	5	.70	32	34
Phoenix, Conn..	10	3.00	95	98
Preferred Accl..	5	1.00	13 1/2	14 1/2
Prov. Wash. ...	10	1.40	40	42
St. Paul F. & M.	12.50	2.00	76 1/2	78 1/2
Security, Conn..	10	1.40	36 1/2	38
Sprgfd. F. & M.	25	4.75	122	125
Standard Acc... 10	1.45	.40	42	
Travelers	100	16.00	588	598
U. S. F. & G....	10	1.50	46	48
U. S. Fire.....	4	2.00	57	59

Protest Mass. Auto Rates

Judge Frederick Chase, representing all stock companies writing auto liability insurance in Massachusetts, protested against the tentative level of rates proposed for 1946 and asked, at the hearing conducted by Commissioner Harrington that the 1939-41 level be restored. Inclusion of 1942 resulted in an unduly low level, he said, and violates statutory requirement that rates be based on experience. The proposed rate level would cost the companies more than \$2 million.

THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Co., Hartford, Conn.
1850

FOUITABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada

★
HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

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OUR SERVICE OF REINSURANCE in Casualty and Surety lines is complete territorially, in scope and in limits. Our Regional offices are no farther away than your telephone and are always at your instant command.

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Preserve**

**President
Presidential
compendium
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Vice-
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V. Wil-
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Rating Law Spread Will Mean Greater Need for Actuaries

**Casualty Actuarial Society
Must See Demand Is Met,
President Says**

NEW OFFICERS ELECTED

President — C. J. Haugh, secretary compensation and liability department of Travelers.

Vice-presidents—J. M. Cahill, assistant secretary National Bureau, and H. V. Williams, assistant secretary Hartford Accident.

Secretary-treasurer—Richard Fondiller of Woodward & Fondiller, consulting actuaries, New York (reelected).
Editor — Miss Emma C. Maycrink, secretary-treasurer Association of New York State Mutual Casualty Companies (reelected).

Librarian — T. O. Carlson, actuary National Bureau (reelected).

Members of Council—A. E. Cleary, actuary Massachusetts department; R. P. Goddard, American Mutual Liability; R. B. Robbins, vice-president Teachers Insurance & Annuity; N. M. Valerius, Aetna Casualty.

NEW YORK—The wide extension of rate regulation that is almost certain to come within the next few years will require competent and enlightened administration by supervising authorities, who must have behind them competent staffs including those with actuarial training and it is the obligation of the Casualty Actuarial Society so far as it lies within its power in the casualty field, to see that the demand for men of sound actuarial training is met as it should be met, said H. J. Ginsburgh, vice-president of American Mutual Liability, in his presidential address at the society's annual meeting.

The states will be looking for men of sound actuarial training to greater extent than ever before and it will be to the interest of the insurance business to see that they have such men, he said. It may well be also that the carriers operating under a greatly extended system of state regulation will have an increased need for actuarially trained staffs. It is the society's duty to foster the training of competent casualty actuaries and to encourage the study of casualty actuarial science and to promote recognition in the industry of the importance of such study while at the same time maintaining such proper standards of admission to the society that membership in it will be a hallmark, said Mr. Ginsburgh.

More Rate Regulation Inevitable

Mr. Ginsburgh said that whatever one may think of rate regulation it is fairly obvious that there is going to be considerable legislation concerning it within a few years and that state rate regulation presently appears to be the best remedy to correct the unwisdom of complete application of the Sherman act to the insurance business.

Much of Mr. Ginsburgh's address dealt with the events leading up to the present status of the insurance business as a result of the Southeastern Underwriters Association decision. Mentioning the model bill prepared by the Association of Casualty & Surety Execu-

(CONTINUED ON PAGE 24)

Fear "Fictitious Fleet" Problem in Group Field

Expansion of the group insurance principle in the direction of offering bargains in rates or benefits to a multiplicity of individuals that lack cohesive bonds is causing considerable apprehension on the part of a number of leaders in the life and accident and health field. Some preliminary discussions have been held on the subject on the industry side and it is likely that the question may get earnest attention at the insurance commissioners convention at Grand Rapids the week of Dec. 3.

At the St. Paul convention this spring there was some valuable discussion on the proposition of amending the so-called group definition and it is likely that at Grand Rapids there will be additional comment and perhaps the enunciation of more positive opinions on the part of various elements of the business.

Many Concessions Are Made

Even the most conservative group underwriters have retreated from their stand that group insurance should be confined to the traditional basis involving the employee-employer relationship with the employer constituting the contracting party. The trustee plans such as have been set up under the New York law whereunder group cover is provided for the employees of numerous firms in a single field, now enjoy good standing. Forms of group cover on the lives of certain types of borrowers such as personal loan companies or industrial banks and automobile finance companies are meeting with no challenge. Farm security administration through Washington Life, Washington, D. C., provides group cover for about 18,000 individuals for a total of more than \$12 million. Perhaps with a great home building boom in store, group plans will be put forward to cover mortgagors.

Some of the companies have been willing to insure members of labor unions. There has been considerable interest in the matter of insuring members of trade associations and during the last legislative season many bills were introduced to legalize such arrangements. One objection that has been voiced to such a scheme is that it would likely eventuate in high salaried men becoming heavily insured under group plans because they might have the top limit at their own firm and also as a member of a trade association.

Those that fear extension of group underwriting to fantastic limits, say that the next step could very well be to insure on a group basis all those residing on a particular R.F.D. route. What they fear apparently is something akin to what was known in the late 1920's and early 1930's in the automobile insurance field as the "fictitious fleet." The abuses became so flagrant in this direction that by legislation and departmental edict the practice was stopped and today this is a dead issue. The practice started by insurers permitting individually owned cars of employees of firms to be covered at a preferential rate along with company-owned cars which did constitute a well recognized underwriting unit. Then the bars were still further lowered and relatives and friends of employees got their cars insured at these "fleet" rates and finally groups got to constitute merely those working in a certain building and their friends and relatives.

During the discussion at St. Paul a recommendation was made that separate group definitions be set up for life and for accident and health insurance rather than trying to oversimplify the matter with a common definition. Some of the observers declared that somewhat different principles apply in the two fields.

N. H. Rejects Classification Plan

Commissioner Knowlton of New Hampshire has approved new automobile B. I. and P.D. rates effective Dec. 1. The mileage classification plan which has been introduced in most other states, is not being adopted in New Hampshire. There is no A-1, A and B setup there. New Hampshire did not have the classification plan prior to the war either.

According to Mr. Knowlton the new rates over-all are 6% below the prewar level. The new P.D. rates are exactly the same as prewar and the B.I. rates are from \$1 to \$3 less than prewar. Under this setup the drivers who enjoyed the A ration card rate during the war will experience the sharpest increase in premium.

Rating Plan Criticized

Mr. Knowlton warns that the accident trend is discouraging and that an increase in rates may be necessary "sooner than we hope."

Mr. Knowlton expressed the belief that the new classification rating plan which was proposed by the companies would not work out for the best interests of the people of New Hampshire. He charged that it would be difficult fairly to determine the proper class into which a motorist should be put and it would eventuate in inequitable treatment. Also he contended that the proposed rates were based primarily on judgment as to future experience rather than upon accurate statistical data.

Travelers Gives Salary Raise

Both employees and stockholders of Travelers were given good news this week. A salary announcement included a 5% increase and a dividend action included an extra 2%.

A new basic weekly salary will be established at 40 hours. The adjustment which was paid for time worked between 37½ hours and 40 hours will be included in the new basic weekly rate. The 8¼% special additional compensation which has been paid quarterly will be integrated into the new basic weekly rate.

In addition, a 5% increase will be granted to all employees, excluding officers, with a maximum payment of \$300 per annum. This increase will be based on the total salary at 40 hours after the integration of the adjustment and the special additional compensation.

The salaries of men and women in the armed forces who return subsequent to Dec. 1, 1945, will be automatically adjusted on the same basis at the time they are reinstated.

F. & D. Ready with PPF in Illinois

Fidelity & Deposit and American Bonding now are ready to enter the personal property field in Illinois. The Illinois insurance department has approved organization of the Midwest Householders' Personal Property Floater Bureau, of which the two companies are members. Their qualification to enter the personal property floater field is under the burglary section of the insurance code.

Fidelity & Deposit has written the coverage for several years in a majority of the states, and its policy, which differs in some respects from that offered by the Inland Marine Underwriters Association companies, has sold in substantial volume.

Expect Truman Health Program to Be a Dud

**Little Fear Is Found on
Score of Immediate
Enactment**

Although the rank and file of insurance people, particularly those with capital interest in accident and health and workmen's compensation may have been stunned by President Truman's message to Congress Monday on a national health program, those in the know in the world of social security legislation had discounted this message in advance; they knew it was coming and they are confident that it will not eventuate in the enactment of legislation, at least not at this time.

Mr. Truman's program embraces several features of the Wagner-Murray-Dingell bill. Of paramount interest to private insurance people is the recommendation of a system of prepaid medical, hospital, surgical, dental and related services, and for a federal system of weekly cash indemnities for accident and sickness. The former feature would be provided by means of a 4% payroll levy, but the cash indemnity benefits would apparently be integrated with the old age and survivor's benefits of social security and would call for still further taxes—"adjustment of the premium," the President calls it. Mr. Truman said he would have more to say on that subject later.

See Labor Angle

Most observers believe that the Truman message was calculated to woo labor; possibly also to get the public to change the subject from strikes and international politics to a big domestic issue that is less embarrassing to the administration.

It appears that the medical profession will lead the fight against the Truman program, as the issue of socialized medicine was immediately joined when the American Medical Association released an editorial that is to appear in the Nov. 24 edition of its Journal.

Even though those in close touch with the Washington scene flatly predict that this program will get a cool reception from Congress, the Truman message will serve to agitate with fresh force the question of expanding the social security setup. The Wagner-Murray-Dingell measure, having been reintroduced in several sessions of Congress, has lost motive power and the opponents have not had difficulty in keeping it a sleeper. Mr. Truman now at least gives that legislation a new lease of life. The fact that Congress peremptorily denied Mr. Truman his \$25 a week minimum unemployment compensation is taken as the best kind of evidence that Congress will be equally cold to the monumental health program, involving as it does such radical change in relationship between the populace and its health services and embracing substantial payroll deduction, of which the average employe thinks he has plenty.

The Truman program, as is, would, of course, deal a lethal blow to large segments of the accident and health business and the cash indemnity feature, if it made no distinction between occupational and other accidents would

(CONTINUED ON PAGE 27)

Aero Cuts Rates on Liability as Much as 50%

Believes Increased Volume and Spread Justifies Move Now

Aircraft liability rates for private and pleasure flying are being reduced by Aero Insurance Underwriters, on some categories as much as 50%.

G. L. Lloyd, general manager, said the number of aircraft in non-scheduled operations next year should be at least double the number in 1945, which "justifies the assumption that the future will bring a substantial increase in the volume of premium." If so, a very important factor in keeping up the cost of liability insurance will be removed and rates can be radically modified.

Insurance is an appreciable factor in the cost of operating an airplane, he stated. Unfortunately, however, except in cases where there was sufficient volume, the market was not in a position to reduce rates. Now the picture is about to change for the better. In anticipation of this Aero is promulgating an entirely new schedule of liability rates.

Reasons for Step

In making such a drastic cut in liability rates, Aero is operating on the principle that the widespread use of private aircraft make possible the premium volume and spread of risk that have heretofore been lacking. The rate is designed to attract the many risks which would probably otherwise be unwilling to insure because of the high cost of liability coverage.

For example, suppose 1,000 planes are insured at a \$25 annual premium. The insurer receives \$25,000 and yet may lose \$100,000 on a single accident. However, if there are 10,000 planes insured the insurer can cut the rate in half and receive \$125,000 with the top limit per accident no higher than before.

Experience to date on aircraft liability lines has been favorable except for passenger liability on for-hire planes. Nevertheless the experience is not such as to call for a 50% reduction but Aero is taking the initiative with the idea that its action will produce a volume of premium and spread of risk that will justify the low rate level.

Features Single Limit

In a letter circulated to agents and brokers by Aero Insurance Underwriters, manager G. L. Lloyd explained the new schedules which have been developed on rates for single limit liability so that this coverage could be more readily sold.

"We are admittedly embarking upon an experiment," he said, "but we believe that if our agents and brokers will cooperate with us by bringing forcefully to the notice of all aircraft owners the wide coverage now available at such moderate cost the spread of risk and volume of premium we need will be forthcoming."

The letter gave some pointers and reasons why the single liability insurance plan should be sold. It said the coverage is more easily understood by the buyer and the premium very reasonable. Also the policy gives the same amount of cover for public liability, passenger liability or property damage. Passenger liability if not required can be eliminated at a great saving. Also by having the same limit available for each coverage the customer is not overinsured in one and underinsured on another and the agent can more easily give advice as to what limit of each cover the assured

(CONTINUED ON PAGE 27)

Specifies Local Board Rules That Are Suspect

The in-and-out rule of local boards, the non-intercourse rule, restrictions on the right of an insurer to appoint agents in a certain territory, acquisition cost rules and the rule limiting the number of agents a company may appoint in a territory must now be scrutinized and probably done away with, according to E. C. Stone, U. S. manager of Employers Liability, who gave a closed circuit broadcast to Employers agents recently.

Rules and practices which may involve boycott, coercion and intimidation must be done away with at once. Moreover, it is not enough to revoke or cancel or annul a rule if the illegal practice is still pursued. The practice itself must be abandoned.

Mr. Stone cautioned agents not to rely too heavily on advice that, although a restraint of trade results, it is reasonable. It will be the court and not the local agent which ultimately will decide the reasonableness of what has been done.

Liberty Mutual Opening More Insurance "Stores"

Liberty Mutual will open a retail insurance store at 1114 Davis street, Evanston, Ill., Dec. 1, to handle the sale and servicing of personal lines of insurance on an over the counter basis. The establishment will follow the pattern of the company's experimental store at Hempstead, N. Y.

The company recently opened a second store in White Plains, N. Y., and is opening additional locations immediately in Madison, Wis., and Oak Park, Ill. Harry Bredfield, who has been with the company 20 years, has been appointed manager in Evanston.

The Evanston store will be modern in layout. In addition to policy selling and servicing, it will handle claim reports and payments, policy changes and endorsements and will feature a complete line of road maps and information.

The Kemper group last week announced it was entering the retail store field for the sale of insurance.

Employers Group Holding Aviation Seminar Series

Recognizing the growing importance of aviation insurance, the Employers group is conducting a series of aviation seminars. The second of these is scheduled for Dec. 4-5 in Chicago. The first one was held several weeks ago in Boston. Plans are also under way for seminars in New York and other cities.

Conducted by representatives of Newhouse & Sayre and the Employers group home office automobile and aviation departments, discussions cover all forms of aviation insurance, including aviation accident insurance.

The Wisconsin, northwest, middle west and Michigan branch offices are sending men to the Chicago seminar. General agents from these localities will also attend.

At the first seminar in Boston, the New England, New Hampshire, Rhode Island, Connecticut and western Massachusetts departments were represented.

Allstate Experiments with 6-Month Policy in N. J.

Allstate and Allstate Fire in New Jersey have withdrawn their rates for annual policies and are now issuing six month contracts in the automobile field.

Allstate is introducing the six month plan in New Jersey as an experiment to determine whether it is popular and should be extended to other states. In New Jersey it will accept business only on a six month basis. It will not accept a full annual premium when the policy is written because of the possibility that there might be a rate change and, if so, the question of discrimination might be raised.

D. C. Group Takes Stand on Legislation Premiums on All Lines Are Increasing

WASHINGTON—Recommendations on two insurance legislative proposals of local application were voted recently by the Washington Board of Trade insurance committee, of which Howard Starling, Association of Casualty & Surety Executives, is chairman. These recommendations have been submitted to the directorate for action.

The committee endorsed Senate bill 1340, by Kilgore, West Virginia, to amend procedure in administration of the longshoremen's and harborworkers act, as it affects the District of Columbia, with respect to third party injuries under workmen's compensation.

On the other hand, H R 3761, which would increase benefits under the compensation act here, was opposed by the committee, which pointed out such increase would result in increased cost of compensation insurance to employers here.

Other Problems to Committee

Referred to a subcommittee headed by Ralph W. Lee, Jr., for study and report, were problems presented as a result of recent compensation board and courts' rulings concerning application of second injury regulations here. It was held in effect that the last employer of a partially disabled person who incurs injury resulting in total permanent disability during such employment is liable for payment of the entire amount of compensation. These decisions were rendered in case of a partially disabled employe of Homeopathic Hospital here who became totally disabled as result of an accident.

It was pointed out that the result of these decisions, if they stand, will be to deter employers here from employing the services of disabled veterans, because they will not want to accept responsibility for all compensation in event of total permanent disability. Mr. Lee's subcommittee is expected to draft a bill for submission to Congress to overcome the decisions complained of.

The committee also voted to recommend an increase by at least \$1,000 of the appropriation for the District of Columbia insurance department in order to enable the superintendent to attend meetings of the N.A.I.C. or its committees at government expense, instead of having to pay his own expenses or unwind a lot of red tape to secure special permission from the D. C. commissioners to draw from their travel expenses whenever he wants to attend such a meeting. Because of these restrictions Superintendent Jordan is said to have refused service on N.A.I.C. committees.

Bryant Pacific Mutual's Denver General Agent

Carter H. Bryant, field director of training of Pacific Mutual Life, has been appointed general agent at Denver, succeeding the late A. J. Gillis.

Mr. Bryant, however, will continue as field director for several months, completing activities already under way in connection with the company's savings plan merchandising program and its standardized recruiting program.

Mr. Bryant has been with Pacific Mutual more than 21 years. For many years he was associated with the late Carroll C. Day in Oklahoma City and Tulsa, Okla. In 1941 he was called to the home office as field director. In the past two years he has conducted more than 40 training seminars, advanced training schools and recruiting clinics throughout the company's field.



C. H. Bryant

Companies Expect Upward Trend for Some Time

Insurance companies of all classes are showing increased premiums. Officials find it difficult to explain a continued upward march of the business. A number will show a handsome gain over last year. The general opinion prevails that the market will continue to be bullish and that the business will be prosperous for some months to come. The large defense industries being converted will have some effect, especially on workmen's compensation. Most agents are watching the conditions and when any decline is in sight they attempt to fill the gap.

The companies as a whole will probably not endeavor to get far from their base of operations until there is a settling down. There will not be many experiments tried nor will there be many departures from the regular course. Most executives are inclined to believe that this is not the time for seeking new pastures and striving for business in extraordinary ways.

Discuss Plans for A. & H. Course in Los Angeles

LOS ANGELES—W. E. Lebbey, Massachusetts Indemnity, who is a member of the advisory board in charge of the accident and health course at Purdue University, told the Accident & Health Managers Club of Los Angeles of the success of the course and plans for a similar course to be given at the University of California, extension division, tentatively scheduled to start in January.

William L. Thomas, Massachusetts Bonding, spoke on using the claims department as a source of new business. He outlined a simple letter he sends to policyholders whose claims have been paid, written in simple language, and closing a return post-paid card requesting names of others as prospects. He said the percentage of returns was remarkably high. He attributed it in part to the fact the letter does not go into great technical details, but is couched in terms which, coupled with the fact the claim had been satisfactorily settled, interest the recipient.

P. H. Ackerman of Miller, Kuhrt & Cox talked on the problems of assisting the returned veteran in his bewilderedment over his situation insurance-wise, and how best to get the veteran straightened out and on a safe course so far as his insurance is concerned.

Wash. State Policy to Stand

OLYMPIA, WASH.—The state administrative board, headed by Governor Wallgren, has announced it will permit a disputed \$10 million burglary and robbery policy covering state securities to run to expiration. The premium already had been paid.

The policy was written by Vern Cole, Seattle agent, and placed in Hartford Accident on instructions from State Treasurer Fluent. Subsequently Attorney General Troy ruled the transaction was invalid because it had not been made through the supervisor of state purchasing, with the approval of the board. Governor Wallgren explained the policy would be permitted to run to expiration since further dispute of Fluent's action would involve tedious procedure. Meanwhile Fluent and Cole were confronted with formal charges filed in Thurston county superior court of misappropriation of public funds and conspiracy to defraud the state in connection with a \$7 million sale of state-owned securities.

AMERICAN
AUTOMOBILE
INSURANCE COMPANY



AMERICAN
AUTOMOBILE
FIRE INSURANCE COMPANY

SAINT LOUIS

ASSOCIATED
INDEMNITY
CORPORATION



ASSOCIATED
FIRE & MARINE
INSURANCE COMPANY

SAN FRANCISCO

CONDUCTING THEIR BUSINESS ONLY THROUGH
ACCREDITED AGENTS AND BROKERS—THE
KIND OF COMPANIES ACCREDITED AGENTS
AND BROKERS LIKE TO DO BUSINESS WITH

ACCIDENT AND HEALTH

F. T. Curran Heads A. & H. Club of N. Y.

Francis T. Curran, Commercial Casualty and Metropolitan Casualty, was elected president of the Accident & Health Club of New York at an organization meeting. Vice-presidents are: Daniel J. Brady, United States Life; Walter W. Canner, Travelers, and

George M. Lloyd, Service Review. Henry B. Mitchell, Equitable Society, was elected secretary, and William F. O'Donnell, U.S.F.&G., treasurer. Fred W. Bumby, W. L. Parran, Inc., was made assistant treasurer. M. I. Gurian, New Amsterdam Casualty and U. S. Casualty; Edward G. Finneran, Travelers, and William L. Kick, Manufacturers Casualty, were elected to the executive committee.

Dennis P. Donovan, attorney repre-

senting the Pennsylvania, Canadian National and Florida East Coast Railroads, spoke on "Experiences on Investigation and Litigation of Personal Accident Claims."

Mr. Donovan emphasized the importance of investigators making sure they get on the job quickly when a claim is presented. Fast action on a claim, always accepted in theory, but too often neglected in practice can save much trouble and expedite handling of claims, he said.

He stated that the claimant should be handled most tactfully. Roughness or brusqueness with a witness or claimant tends to make them reticent and unwilling to give full information, he pointed out.

There was an excellent response to Mr. Donovan's talk and a spirited question and answer period followed.

It was announced that the annual Christmas party will be held Dec. 13 in the Hotel New Yorker.

Further Details of Wichita N.A.A.H.U. Meet Announced

The Wichita Association of Accident & Health Underwriters has given out additional details of the arrangements for the midyear meeting of the National association there Jan. 23-25.

The Leading Producers Round Table will conduct a sales forum Jan. 23 and will hold its business meeting at a breakfast Jan. 24. C. B. Stumpf, Illinois Mutual Casualty, Madison, Wis., is chairman of the Round Table. The women's division, of which Margaret E. Olson, North American Life & Casualty, Minneapolis, is chairman, will hold a luncheon meeting Jan. 32.

Governor Schoeppel of Kansas will give a welcome address, with response by President Costigan, the first day.

Plans for Managers' Session

At the managers session that afternoon with R. J. Barrett, Occidental Life, Kansas City, as chairman, four major subjects will be discussed: Recruiting training, supervising and financing of agents. A feature at the close of Wednesday's program will be a "question box" period, when an effort will be made to "stump the experts."

Western atmosphere will prevail at the Wednesday night "Accident & Health Roundup" with western costumes the order of the evening. There will be a "chuck wagon," with featured entertainment furnished by the Ark Valley Boys from radio station KFJH.

An all-day sales congress Thursday, Jan. 24, will have two outstanding speakers on both the morning and afternoon programs, in addition to a luncheon speaker. Speakers already announced are Stewart Walker, manager of the Mutual Benefit Health & Accident, Philadelphia, and Frank R. Philpott, Columbian National Life, St. Louis.

Inasmuch as the convention will close at noon on Friday, Jan. 25, it is expected that many of the companies and agencies which have a considerable number of agents in attendance at the meeting will want to hold "post-conference" meetings of their own that afternoon. The Wichita convention committee will make all necessary arrangements on request.

It is urged that reservations be made immediately through the hotel reservations committee headed by Bert H. Clifton, Mutual Benefit Health & Accident, 816 Bitting building, Wichita. Adequate hotel accommodations have been promised by the three leading hotels, the Broadview, Allis and Lassen, the latter being convention headquarters.

L'Estrange Month Sets Record

October, which was observed by Wisconsin National Life as "L'Estrange appreciation month," honoring G. A. L'Estrange, vice-president and agency director, resulted in the largest production of both life and accident and health

insurance of any month in the history of the company.

The life quota set up for the month was \$1,800,000 and accident and health new initial premiums \$12,500. The life volume was \$2,133,990, an increase of 25.4% over the corresponding month in 1944, while new accident and health business totaled \$13,635, an increase of 13.3%.

Another record was shattered on Oct. 28, the 85th birthday of Gen. C. R. Boardman, president of Wisconsin National, when business received in his honor totaled \$422,130 life production and \$1,353 new accident and health premiums.

Continental Has Record October

The accident and health department of Continental Casualty set a new high record in October in many respects, with an increase of 113%. New premiums for the month were \$1,133,550, an increase of \$601,350 over its best pre-Pearl Harbor month. There were 30,132 new policyholders enrolled, with an increase of 11,678 applications over the best pre-Pearl Harbor month.

The commercial, disability, intermediate, railroad, group, aviation, special risks and wholesale divisions all had their full part in the increase and all set new high records.

Minn. Commercial Men's 40th Year

Minnesota Commercial Men's is observing its 40th anniversary. Originally it was Minnesota Commercial Men's Health Association. However, a strong demand for accident coverage developed

SPECIAL AGENT WANTED

By progressive multiple line company. Indiana territory. Permanent position, splendid opportunity. Our employees know of this ad. Reply state age and experience. Replies strictly confidential. Address E-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

The real test of an insurance company is not the number of years it has been in existence, but how it has conducted itself during its lifetime.

The substantial progress we have shown during the past quarter-century has laid a solid foundation for the building of a promising future. The record thus far achieved is an inspiration for constant and expanding efforts to promote further growth and development.

To the invaluable loyalty and support of our agents . . . the confidence and satisfaction of our policyholders . . . and to all others who have contributed to this record, we take this means of paying grateful tribute.



1886—OVER A HALF CENTURY OF SERVICE—1944

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

District Managers and Representatives WANTED

Geo. F. Manzmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

ANCHOR



CASUALTY COMPANY

ST. PAUL, MINNESOTA

Anchoring Assures Smooth Sailing

AUTO - ACCIDENT
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Paul Clement, secretary and general manager, has been with the company 30 years. He started as cashier and in 1935 succeeded A. J. Alwin, the original secretary, who died that year. Mr. Clement is national president of the Izaak Walton League. President of the association is Roy A. Lathrop, general agent in Minneapolis of State Mutual Life.

Lebby Leads Two Companies

LOS ANGELES—William E. Lebby, state manager of Massachusetts Indemnity and general agent of the commercial accident and health department of General Accident, has been advised that his agency ranked No. 1 among all commercial agencies of that company for September.

The Lebby agency again led all Massachusetts Indemnity agencies for October and also for the year. Renewals for the year to date are in excess of 99%.

Illinois Mutual Ahead

PEORIA, ILL.—At the end of the first 10 months Illinois Mutual Casualty was \$20,000 ahead in premiums of entire year of 1944 with a total of \$755,000.

A new plan of adding accidental death benefits to hospital policies has been introduced at a rate of \$2.40 per \$1,000. The idea is meeting with success both on new and outstanding business.

Illinois Mutual is a firm believer in developing home city business and its strong agency here produces \$200,000 in premiums annually.

CHANGES

Kauffman Retires at Pittsburgh; Crumley Successor

Edward C. Crumley, formerly assistant casualty manager for Travelers at Washington, D. C., who recently was discharged from the navy, has been appointed casualty manager at Pittsburgh to succeed Frank S. Kauffman, who is retiring.

Mr. Kauffman is a veteran of more than 35 years with Travelers, having served first at Reading as casualty manager. Seven years later, he was transferred to Pittsburgh as manager. The Pittsburgh territory is one of the largest in the country and has greatly increased in importance under Mr. Kauffman's leadership.

In Navy More Than Three Years

Mr. Crumley has served with the navy for more than three years. He entered service as a lieutenant and at the time of his discharge had been promoted to lieutenant commander. He served as naval inspector of ordnance at the U. S. Rubber Co., at Charlotte, N. C.

Prior to being commissioned he had been since 1941 insurance adviser to the federal works agency and later returned to Travelers as special assistant for the home office in Washington to be in charge of government insurance. He served in this capacity until he entered the navy.

A native of Colorado, Mr. Crumley had had experience in the selling field when he became associated with Travelers in 1926 in the cashier's department in Washington, D. C. Three years later, he entered the casualty agency department and was appointed field assistant there. In 1939 he was appointed assistant manager.

Brunett L. A. Bond Manager

LOS ANGELES—Albert Brunett has been appointed bond manager in the southern California offices of the Employers group, as assistant to P. J.

Gauthier. Mr. Brunett, before coming to Los Angeles, had been bond manager of the Employers group in Chicago for 2½ years.

Jones Glens Falls Indem. Columbus Head; Derby to O.

L. S. Jones, former special agent, has been promoted to manager of the Columbus office of Glens Falls Indemnity. Mr. Jones joined Glens Falls in 1940 as special agent for the Ohio territory, with 15 years' experience in the casualty-surety business.

He will be assisted by John H. Derby,

Jr., as special agent. Mr. Derby has been an employee of the company since 1933, having served in various underwriting, claims and production capacities in the home office and in the middle west. He is being transferred from the central department in Chicago and will shortly report for duty in Columbus.

Two Rejoin Travelers: Hartford Veteran Retires

Scott C. Dickson and James M. Roberts have been released from army service and reappointed by Travelers as casualty field assistants. Mr. Dickson in

Kansas City and Mr. Roberts in San Francisco.

Mr. Roberts' last assignment was to the insurance branch of the ATSC at Wright Field, O., as casualty and property insurance analyst.

Earl F. Hussey, assistant casualty manager of Travelers Hartford branch office, is retiring from active service. He has just observed his 41st anniversary with the organization.

He joined Travelers in 1904 in the audit department and served as payroll auditor in New York and in a number of western branch offices. In 1909 he was transferred to the agency department as special agent in Milwaukee. He

Agents of National Progress

RECONVERSION calls for industrial ACTION! America, the most widely insurance-covered nation in the world, shows conclusively that it is the most progressive.

Central Surety protection encourages industry to dare more . . . do more . . . creating jobs and speeding orderly, efficient business development.

Central Surety agents, active in all states, are primary factors in national reconversion.

CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, President

SAN FRANCISCO

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later served in Toronto and Montreal and in 1924 was called to the Hartford branch.

N. C. Flanagan Now V.-P. of Lumbermen's Mutual

N. C. Flanagan has been elected vice-president of Lumbermen's Mutual Casualty. He started with the Kemper organization in 1934 as advertising manager and later became production manager. He has been serving in the navy as a lieutenant for the past 2½ years. He saw active duty in the Caribbean and Pacific theaters in air intelligence.

At the same time Chase M. Smith was appointed general counsel of Lumber-

men's Mutual. He has been counsel of that company and the other Kemper institutions and has been secretary of National Retailers Mutual. He has been with Kemper since 1920, previously having been with the Illinois department.

Mr. Smith is vice-president of the Illinois Chamber of Commerce and a member of the fire insurance section of the insurance committee of the U. S. Chamber of Commerce.

Cotton to Be No. Cal. Special

After more than three years in the coast guard, John C. Cotton has returned to the San Francisco office of Great American Indemnity and after completing a refresher course will become special agent in northern California.

Commercial Standard Shifts

Lt. Delbert D. Barron, recently discharged from the army, has rejoined Commercial Standard as assistant manager of the fidelity and surety department. He first joined Commercial Standard in 1933 and was granted temporary leave of absence in 1942 to enter service.

Clyde Foster, for four years claims examiner in the Commercial Standard

home office, has been transferred to the St. Louis branch as claims manager.

Master Sgt. Frank Mittelbushner has returned to his post as statistician for State Farm Mutual at Bloomington, after four years in service. His last assignment was in the Philippines and his discharge order came through only a few hours before his unit left for Japan. He is a twin brother of R. R. Mittelbushner, agency superintendent Security of Davenport.

Delbert Rohrabough, for 13 years with Aetna Casualty in Los Angeles as automobile underwriter, has resigned and will enter another line of business.

Roscoe H. Baugh, safety engineer, has been named field safety engineer for Continental Fire & Casualty with headquarters at Houston, replacing Lex James, who is transferred to north Texas with headquarters in the home office at Dallas. Mr. Baugh was with the U. S. Engineers eight years as a safety engineer.

SURETY

Property Damage Bond Demand Causes Problem

The surety companies in Chicago are confronted with a demand for a new type of bond obligation due to action taken by the Sanitary District of that city, and this is bringing furrows to the brows of the underwriters.

The Sanitary District is including in its specifications the requirement that the contractor furnish a bond in the amount of 20% of the contract price, guaranteeing that the contractor will make good any loss for which he may become liable under a hold harmless agreement which he is required to execute. Under the hold harmless agreement the contractor assumes the liability that is imposed upon the Sanitary District under the Illinois public building law. This covers principally consequential losses. Perhaps the most conspicuous type of such loss in Chicago was that caused when the Michigan avenue bridge was put up, necessitating raising the street level. Property owners along Michigan avenue recovered damages from the city on account of the street level being raised.

In addition to the special 20% bond that would have to be written, the surety companies also say that they are liable to the full extent of their performance bond to indemnify the obligee in the event the principal fails to make good any losses that may occur under the hold harmless agreement. That is so, they contend, because this requirement is written into the specifications and the

bond guarantees performance in accordance with the specifications. Hence they say that with a performance bond in 50% of the contract price, there would be an ultimate liability on the part of the surety for a total of 70% of the contract price.

Many of the surety people believe that the Sanitary District is seeking to impose an unwarranted obligation upon the contractor. The problem is as yet unresolved.

Alabama Governor May Put State in Bonding Business

MONTGOMERY, ALA.—Machinery for extending the state insurance fund to cover bonding of state employees, proposed unsuccessfully in the 1945 legislature, may be set up in Alabama by executive order. Gov. Sparks is approaching the matter in this way:

First, all surety bonds now written on state employees by private companies on a competitive basis would be handled through the insurance division of the finance department. At present they do not clear through any agency. Then, if it were deemed practicable, the state would take a further step and write its own bonds.

Gov. Sparks would not comment on the report, but in his message to the legislature last May he said: "Insurance and bonds, whether contractual or fiduciary, should be written by the state or handled through the insurance division of the department of finance."

Through the latter procedure, the governor, it is reported, feels he would be able to draw a statistical comparison which would determine the feasibility of having the state do the underwriting. Additional legislation is not necessary, some legal experts say, to put the program in effect.

Blanket Bond for Townships

SAGINAW, MICH.—Michigan Surety, Lansing, is to provide a blanket short term bond for treasurers of all 27 Saginaw county townships. County-wide acquiescence in the program has just been secured. County Clerk Little, who was instrumental in promoting the plan, feels it is an improvement over the past procedure when separate bonds were furnished by each township.

Probate Bond for \$1 Million

LOS ANGELES—One of the largest probate bonds in Los Angeles county is the one approved by the superior court covering Stanley Guthrie, attorney, as executor of the estate of Mrs. L. C. Brand. The bond, for \$1 million, was written by William M. Curran, and executed by Fidelity & Deposit.

Mo. Auto Bill Not Passed

The statement in the Nov. 8 edition that the automobile financial responsibility bill for Missouri has been passed by the house is incorrect. The bill has only been perfected and this is not the equivalent of being passed.

WANTED

Special Claims Adjuster

This is an unusual opportunity.

In the Middle West, where we are considered one of the outstanding independent stock companies, we have a record for maintaining an extremely low ratio of law suits. We need a man who will help us continue that record—

A man who can handle difficult claims and settle them with sufficient tact and fairness that litigation is avoided . . . or having gone into suit, knows how to get interested parties to make a friendly settlement.

It is a job that requires an expert knowledge of claims adjusting; an energetic, pleasing personality; and some legal training.

To a man with these qualifications we are prepared to offer an extremely attractive proposition.

Please write to the box number below, giving your qualifications so that a personal interview can be arranged.

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175 West Jackson Blvd., Chicago 4

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FOR OVER TWENTY YEARS WE HAVE SPECIALIZED IN MAKING COMPLETE AUDITS

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SEATTLE—Meakim has amendments to men's compensation to per age and non-profit. Judge M. the depart April 12, reason that administrat order esta tributors a man-hour \$1,002 per y It included non-profit neration, r hazardous

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COMPENSATION

Wash. Amendment Held Void

SEATTLE—Superior Judge R. J. Meakim has declared unconstitutional an amendment to the Washington workmen's compensation act extending coverage to persons employed by charitable and non-profit institutions.

Judge Meakim held an order issued by the department of labor and industries April 12, effective June 6, "void for the reason that no authority existed in the administrative agency to make it." The order established a new class of contributors and a rate of \$.004 per workman-hour for industrial insurance and \$.002 per workman-hour for medical aid. It included all employees of charitable and non-profit institutions receiving remuneration, regardless of their duties, both hazardous and extra-hazardous.

Plans of Allied Compensation

Allied Compensation now being formed in Los Angeles, has applied to the California department for a permit to issue 15,000 shares of its 50,000 shares of \$10 par value, to be sold at \$25 per share, of which \$10 is to be applied to capital and \$15 to surplus. There is to be no sale of stock to the public. The Victor Montgomery General Agency has subscribed for 10,000 shares and 5,000 shares are to go to stockholders and employees of the general agency, Pacific Employers, and Southern California Underwriters, Inc.

President is John C. Southerland, Pasadena; vice-president, D. L. A. Brown, San Marino; secretary-treasurer, Don Frost, Los Angeles.

Buyers Consider Minn. Rates

MINNEAPOLIS—Proposed changes in compensation insurance rates for 1946 will be considered at a meeting of the Insurance Buyers Association of Minnesota Nov. 26. The proposals calling for a decrease in rates, as filed by the Minnesota compensation rating bureau, will come up for hearing before the Minnesota compensation insurance board Dec. 10 at St. Paul.

When the bureau sought a decrease last spring the buyers' association was one of several organizations that opposed it.

PERSONALS

A. Herbert Nelson, Minnesota manager of Business Men's Assurance, has been named Hennepin county chairman for the \$5 million fund drive for the Sister Kenny foundation. Bing Crosby is national chairman.

L. B. Fowler, assistant secretary of Aetna Casualty, observed his 30th anniversary with the organization last week. He joined Aetna in the fidelity and surety underwriting department and served in Lansing and in Denver before being recalled to the home office. He has held his present position since 1942.

Lew H. Webb, formerly president of Conkling, Price & Webb of Chicago, who retired some time ago and is living at Claremont, Cal., has been in bad health for the last eight months and part of the time has been in the hospital. However, he is now getting on his feet. Mr. Webb still maintains a lively interest in the business.

H. G. Hitt, vice-president of Lumbermen's Mutual Casualty and American Motorists and president of Associated Mutuals of Georgia, has been elected president of Associated Industries of Georgia.

Howard Starling, Washington representative Association of Casualty & Surety Executives, is recovering from a minor operation and expected to be transferred from hospital to his home late this week.

DEATHS

William Nickerson, Jr., 66, founder and president of Golden State Mutual Life, died in Los Angeles after a brief illness.

In 20 years Mr. Nickerson had brought his company from a new venture to the position of being the second ranking Negro life company in the country. Golden State Mutual was founded in 1925 as an assessment company as Golden State Guarantee, the

present name being adopted in 1931. Subsequently it was transformed into a Chapter 6, and then into a Chapter 9 company. It was one of two Chapter 9 companies given a clean bill of health in 1940 by former Commissioner Caminetti. Since then Golden State Mutual has become a mutual legal reserve company. It owns its own home office building. It is licensed in Illinois and is planning to enter Texas.

Mr. Nickerson was born in San Jacinto County, Tex., and went to Los Angeles in 1921.

W. H. Folwell, 68, president of Penn-

sylvania Manufacturers Association Casualty and a director of Fidelity Mutual Life and Girard Life, died at the home of a daughter, Mrs. Hebert Adam, in Wynnewood, Pa. Mr. Folwell, a native of Philadelphia and graduate of University of Pennsylvania, was prominent in the textile business for over 40 years and in business, political and financial circles in Philadelphia.

W. C. Williams, district manager of the Massachusetts Protective companies for Michigan and former general agent for the group in Michigan with headquarters in Detroit, died at an advanced

"Unforeseen events . . . need not change and shape the course of man's affairs"



Forceful advertisements in national magazines work for the Maryland agent or broker—dramatize his ability to perform a valuable service for the public.

NO TURNING BACK

THE INSTANT his skis leave the jump, he's on his own. He can't turn back for a fresh start.

You, also, can be in a situation where there's no turning back, when you suffer a loss which was not—but could have been—covered by insurance.

Such a loss may come suddenly, unexpectedly, in many ways. Through an automobile accident . . . a burglary or theft . . . a damage suit . . . a dishonest employee.

To guard against such losses, you need the competent counsel of a trained insurance agent

or broker. He knows the many hazards to which you are exposed, and the right kinds of casualty insurance and surety coverages required to protect your home, your possessions and your business.

The best way to secure this competent counsel and friendly service is to call the Maryland representative in your community. He will take a personal interest in your insurance needs.

Because the Maryland representative knows his business, it's good business for you to know him. Maryland Casualty Company, Baltimore 3, Md.

THE MARYLAND

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN TIME-NEWSWEEK—U. S. NEWS

age at Highland Park General Hospital. Joining Massachusetts Protective in Kentucky 34 years ago, he served as general agent in West Virginia and in 1918 went to Detroit as Michigan general agent. He became district manager in 1925 when C. E. Boner became general agent.

Lawrence E. Birdsall, former assistant treasurer of Independence Indemnity and for the last five years a special auditor for the Manufacturers Casualty, died in Philadelphia.

Edward Willans, 82, former manager

of Imperial Guarantee & Accident of Canada, died suddenly in Toronto. Since his retirement in 1925, he had been a director of that company and of British America and Western Assurance.

J. W. Ott, 53, assistant vice-president of Michigan Mutual Liability, died in the Michigan Mutual hospital in Detroit following an emergency operation.

Benjamin Couch, 72, vice-president of United Life & Accident and a director of New Hampshire Fire, died at his home in Concord, N. H.



The appointment of
EDGAR C. WERNER
as Vice-President in charge of
FIRE REINSURANCE UNDERWRITING
is announced by
EXCESS UNDERWRITERS, INC.
 90 JOHN STREET NEW YORK 7, N. Y.

More Actuaries Needed Under Rating Laws

(CONTINUED FROM PAGE 17)

tives and the National Association of Mutual Casualty Companies he said that the public interest is protected under it but that carriers are protected against undue delay in consideration of rate filings by a provision deeming them approved if not acted upon within 30 days, while the needs of various types of carriers arising out of operating methods are recognized by the provision giving the right to a carrier or group of carriers to differ from other carriers or groups in the expense loadings in rates. There is nothing in the bill requiring rate uniformity, he said. The section on expense loadings would certainly indicate that and it is otherwise made clear. The interests of an individual carrier in a rating bureau or of a minority group therein are protected by a deviation section and by a section giving right of appeal to the supervisory authority by a member or subscriber of a rating bureau.

Reasons for Opposition

Opposition to the joint bill has been due in many cases, Mr. Ginsburgh believes, to lack of understanding of its provisions, though in some cases it may be due to a reluctance to give opportunity for the kind of administration which could produce effective regulation.

"Some carriers, particularly those who do not belong in rating bureaus, have opposed state regulation of the type embodied in the joint bill," he said. "They maintain that since the Sherman act applies only to rates made in concert, state rate regulation should apply only to such rates and that companies which file their rates and operate independently do not need protection from the Sherman act and consequently should not be subject to rate regulation."

"Technically, if all that is required is an 'umbrella' under the Sherman act they may be right, although the Robinson Patman anti-discrimination act, which is not concerned with combinations, is also in the picture. But to me this means a very shortsighted view. For the ultimate purpose of rate regulation is not to provide an 'umbrella' under the Sherman act and not to control competition between companies but to protect the public interest. If a rating law is to apply only to bureau companies and not to others it is obvious that the first group will soon seek the status of the second by ceasing to belong to the bureau and thus the rating law will become meaningless."

What is "Extent"?

The provision in section 2(b) of public law 15 that the Sherman, Clayton and federal trade commission acts, after Jan. 1, 1948, "shall be applicable to the business of insurance to the extent that such business is not regulated by state law," has been the source of much speculation in the insurance business and Mr. Ginsburgh discussed it at some length in his address. How much and what kind of state regulation will be necessary in order to make any or all of the federal anti-trust laws inapplicable? Must state laws and administrative procedures under them cover

the entire field embraced within the purview of the federal laws in order to "oust" the federal laws? Will the mere existence of a state law covering a given situation be sufficient, regardless of the degree and character of enforcement?

Mr. Ginsburgh said that opinions on these points have differed and still do but that it seemed to him that for the federal laws to be inoperative in a state with respect to a given activity or situation in insurance the state must have a law dealing in positive fashion with the activity or situation and the law must be actively administered and enforced. It does not seem probable, he said, that mere blanket permission by state law to do, without active supervision, what seems forbidden by federal law would serve to make the federal law inapplicable.

"A laissez-faire policy in the state, either legislatively or administratively, will not serve, under public law 15, to maintain the primacy of state regulation over federal regulation of insurance," he said.

The papers, other than the presidential address, were highly technical except for that of J. J. Smick of the National Council on Compensation Insurance, on "The Actuary as a Consultant." Saying that all actuaries have probably been asked at one time or another to explain the nature of their work, he observed that as far as the layman is concerned the easiest way of answering a question of this kind is to cite one or more specific examples of a not too technical nature. For those desiring a somewhat fuller explanation the various qualifications and requirements for membership in the society may be used. In his paper Mr. Smick cited a number of actual cases illustrating the work of the actuary, nearly all of them having been submitted by consultants.

Mr. Smick pointed out that one of the functions which an actuary performs or is qualified to perform is that of consultant on matters which are not entirely actuarial but which have an actuarial aspect to them. This is indicated by the fact that so many actuaries often become engaged in activities which are not actuarial. For example, an actuary as a result of his work with administrative matters may become an executive. If his company has found the advice he has given to the underwriting department useful he is quite likely to become an underwriter. If the statistical department requires his services he becomes a statistician. In all these instances the individual, originally qualified as an actuary proves more useful in some other capacity. He is still of course capable of acting as an actuary. The fact that so many actuaries do become engaged in other phases of insurance work is fairly conclusive proof that there is something in the basic

Burglary Premium Calculator

A pocket-size, copyrighted residence and outside theft premium calculator which provides 2,208 separate calculations with one simple adjustment of the slide rule has been developed by Atlantic Mutual Indemnity and is being sent to brokers and agents.

Premium calculations for one and three years are shown for divided coverage, 50% blanket, 100% blanket, section A only, section B only and specific coverage, together with a "theft away from premises" rate table. One side of the premium calculator is devoted to private and two-family houses, and the other to apartments, flats, hotel rooms and penthouses.

To determine a premium it is necessary only to pull out the slide until an arrow points to the territory and amount desired. The one and three year premium for any coverage required then appears in one of two slots at the top of the calculator.

Announcing our new

SPECIAL SERVICE DIVISION . . .

. . . for Inland Marine audits and inspections, bond and burglary loss audits and hospital malpractice surveys. "We protect our clients from every possible insurance and tax contingency. "Bargain" rates for such services may imply a lack of quality.

ATWELL, VOGEL & STERLING, INC.

. . . have 24 years of experience in Casualty and Inland Marine Audit, Inspection and Engineering service.

Principal Offices: Main Office—40 John St., New York; 369 Pine St., San Francisco; Insurance Exchange, Chicago; 15 other offices and 30 other headquarters cities maintained to give service through the entire country.

qualities making an actuary which is of value to other departments.

Following are some of the cases cited by Mr. Smick:

I. A concern had its compensation coverage cancelled by a number of carriers, first by stock carriers and then by mutuals. Its current policy was in a state fund. It had been placed in a special group by the fund so that in effect it was a self-rated risk. Its premium rates were still high and it felt that its only remaining recourse was to become a self-insurer and thus save a lot of money. It engaged a consultant to take the necessary steps to enable it to become a self-insurer.

An investigation of the record of its past coverage revealed a deplorable situation as regards accidents. Safety survey after survey and recommendations by the safety engineers of its previous carriers and current carrier were continuously disregarded. There seemed to be a division of authority between the persons responsible for the plant operations and the executive management offices. Instructions to carriers had been to make safety reports directly to the plant officials who in turn filed them away without taking any action. The record of losses and premium payments were however a main office matter. The main office was greatly concerned over the premiums it was paying, but apparently wasn't at all interested in the reasons for this, except that the insurance companies insisted on charging too much.

Self-Insurance No Cure

It was pointed out to the management that self-insurance would not solve the problem but would more likely tend to aggravate it. There was sufficient evidence, based on the survey reports of the insurance carriers to show that the accident record was a management problem. Without these reports there would have been no check on the plant officials.

It was suggested that the main executive offices take direct responsibility for the safety conditions in the plants and see to it that recommendations by company safety engineers were rigidly enforced. It was further pointed out that its own past management or mismanagement was the most convincing argument against self-insurance. The only remedy was proper safety work which it could only learn on the basis of the advice given it by the qualified engineers of the insurance companies. The management decided not to become a self-insurer.

Question of Deviation

II. A specialty carrier operating in a restricted field was denied its customary deviation from manual by a supervising insurance department on the ground that the policy of the department was to grant such deviations only if the requesting carrier could submit evidence that its expense ratio justified such a deviation. In this instance the full deviation requested was not justified on the basis of the expense ratios. An analysis disclosed that rates for this particular line had not been revised

recently and were in all probability out of line. Furthermore, the method of operation followed by the carrier contemplated relatively large expenditures for safety investigation and legal expenses which in turn were reflected in a very low loss ratio year after year.

It was pointed out in a brief prepared for the carrier that the proper basis of determining whether a deviation could be granted was on the basis of the combined loss and expense figure, not merely on the expense ratio. It was shown that the underwriting results amply justified the deviation requested and that it was unsound to base a decision solely on the expense provisions without taking into account the entire rate structure. The insurance department rescinded its action and granted the request for the deviation.

OLDSTERS HEALTHIER

III. A fraternal organization writing sickness insurance at a level rate for all ages, desired to have its experience reviewed and recommendations made relative to a possible change in its rate schedule to recognize age groups. A review of the experience indicated that although on the whole the rate schedule was about right, there was the need for a rather marked increase in the rates for the older age groups. The experience had been getting progressively worse on the older classes. In his recommendations the actuary suggested that the new schedule should not be adopted for all members but only for new members. He pointed out that a sharp increase in the rates for the members now covered would cause many of the more desirable risks to drop their insurance while the less desirable would continue the coverage thus nullifying in a large measure the effect of the rate increase.

In a conference held with the managers the actuary casually asked how the validity of claims was determined. He was told that as respects new members, the character of the individuals proposed was closely investigated and their claims were carefully reviewed, but as respects the members who had been in the fund for many years, why, everybody knew them and their claims were honored as a matter of course. The actuary suggested that before adopting the revised schedule, a special control group be appointed to review all claims carefully and claimants visited and that publicity be given to this procedure. Rates were increased but not to the full extent indicated by the experience. The experience, reviewed a year or so later proved much better than that indicated by the earlier study. It was surprising how much the health of the older and trusted members had improved when a fraternal interest was manifested in their welfare.

IV. An insurance company of a country "south of the border" desired some guide rates and procedures based on United States methods of operation. The government of the country had a cer-



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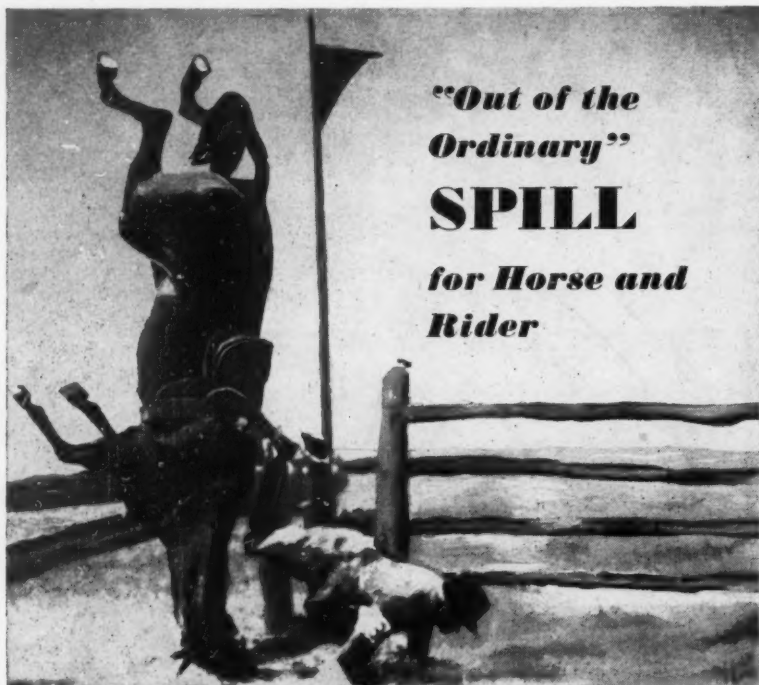
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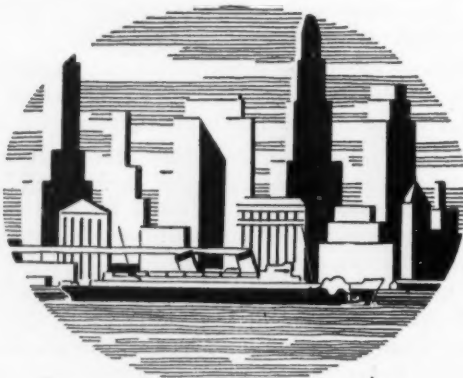


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tain definite measure of control over the operations of the company. In the settlement of workmen's compensation claims the company would become involved in a political situation as undoubtedly many claims would be controverted and pressure would be brought to bear on the claim policy of the carrier. At the same time important employers insisted that a strict observance of the benefit provisions be made in order to keep the cost down.

It was suggested that a proper basis whereby the company could separate itself from being a party in the adjudication of claims was to have an independent commission established, similar to the industrial boards and commissions in the states to make awards and settlements on all claims. It was also suggested that the employers could have a representative at the hearings to see that each case was properly presented and adjudicated so as to assure the employers that the carrier was properly defending claims. The carrier would contribute toward the expenses of the employers' representative.

Feared Repercussions

The larger employers who represented foreign owned corporations, contended that working conditions, safety measures and other factors contributing toward accidents differed as between large and small employers. A manual rate would therefore not be equitable toward such employers as a group. They did not desire to be rated on an average rate basis. On the other hand the carrier insisted that rates must be adequate and uniform for all classes of risks. It would be political suicide to ever promulgate a prospective rate for large foreign owned corporations that was lower than the rate for smaller locally owned concerns.

It was suggested that a solution to the problem could be made by establishing a high level of rates and that the records be maintained to show the individual experience of the employers. At the end of the year an adjustment based in part on the size of the risk and in part on the experience would be made, subject to a certain minimum and maximum, and the risk either debited or credited with return premiums. The level would be high enough so that there would be little likelihood of debit items. It was in fact a modification of the participating form of operation. The employers were agreeable to this procedure, providing a tightly controlled accounting and statistical procedure was adopted so as to make certain that each employer's record was properly maintained.

RIVAL STYMIED

V. A carrier began losing a number of accounts to a competitor. In each instance the timing of the approach to the risk and the manner of solicitation led the carrier to believe that a former employe with knowledge of the effective date and details of coverage was somehow involved. A review of the records indicated that the carrier had been somewhat lax in its method of setting up reserves, which affected the rating of the risks. In many instances reserves were too high or had not been set up on a present value basis. Reserves for medical were maintained long after the recovery. Recoveries from subrogation cases were not credited to the risk losses. Classification assignments reflecting changes in the character of the risks operations were not promptly requested. Combinations of policies, where it was possible to make such combinations in the interests of the assured, had not been made.

It was suggested that more care be devoted to the proper underwriting and rating of risks so as to reduce the vulnerability to attack. It was also suggested that as many risks as possible be cancelled prior to the expiration date of the policy and rewritten so as to change the effective dates of the renewal policies. This would to some extent nullify the timing of the

competitor's approach and give the carrier time to correct its underwriting methods.

VI. A large corporation was a self-insurer as respects workmen's compensation in New York state. It desired to recover some of its substantial deposits with the department of labor and engaged the services of a consulting actuary to assist it. The task required a complete review and valuation of several hundred open claims. In order to determine the possibility and probable cost of reopenings it was necessary to make a review of certain claims closed within the last six months and some types of claims closed within the last two years. A valuation of all death and permanent total disability claims was made on the basis of tabular values. In addition, the final report provided for a reserve for incurred but not reported losses, a reserve for underestimates and adverse development of open cases, and a reserve for contingencies. The report was received favorably by the department of labor and a substantial refund granted.

VII. A small New York casualty company requested a consulting actuary to review its reinsurance contract covering workmen's compensation lines in excess of \$10,000. The contract was negotiated many years ago and no cognizance was made of the change in the law requiring payments into the aggregate trust fund. It was necessary to review the entire experience under the contract and to make a special analysis of the experience during the last 10 years revaluing the reinsurance liability in the light of the new law. In view of the relatively small volume of experience use was made of the study of the cost of excess losses completed by the New York Compensation Insurance Rating Board. The result of the survey was a modernization of the contract and a substantial reduction of the price thereof.

PERRYMAN'S TABLES

F. S. Perryman, secretary and actuary of Royal and Eagle Indemnity companies, presented a paper entitled "Further Tables Adapted for Machine Computation," which is an addition to a paper presented at a previous meeting. The new paper includes an easier way of using the ten-place tables of logarithms to be used on calculating machines. The new paper also provides a more convenient method of using interest tables on calculating machines.

The other papers presented included "Non-Random Accident Distribution and the Poisson Series," by Ensign John Carleton, U.S.N.R., who in peacetime is connected with Liberty Mutual; "Generalized Theory of Credibility," A. L. Bailey, statistician American Mutual Alliance; "Valuation of Non-Cancellable Accident and Health Insurance Policies," by S. F. Conrod, actuary Loyal Protective Life; and "Pure Premium Trend in Workmen's Compensation," by R. P. Goddard, American Mutual Liability.

The afternoon was mainly devoted to

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Young executive, desirous of reentering insurance field after serving as Production Manager of a defense plant. Was formerly an officer and General Adjuster in charge of all claims for large National carrier specializing in auto insurance on finance accounts. Can install and administer the most competitive pre-war claims service in the financed automobile insurance business, based on 6 years Home Office and 11 years field experience. Can manage a department or large territory. Prefer Pacific Coast managership but will consider other positions. Address D-96, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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informal discussion of two topics: "Essential Characteristics of an Adequate System of Individual Risk Rating Plans for Casualty Insurance Under State Regulation"; and "Bases of Rating Commercial Automobiles for Liability Insurance." The entire discussion was off the record.

Ernest Holzinger, of the Pension Planning Company, New York City, passed the examinations and has been enrolled as an associate.

Expect Truman Health Program to Be a Dud

(CONTINUED FROM PAGE 17)

put a serious crimp in the workmen's compensation insurance field.

While old age and survivor's benefits are credited by most life insurance men with actually stimulating the sale of commercial life insurance, it is unlikely that a federal sick and accident benefit program would have the same buoyant effect on accident and health insurance. There would be those in the upper income brackets that would desire to supplement their federal policy with private insurance, but there is a limit to the amount of sick-accident benefits that an individual wants and that the insurer is willing to provide, so that a federal system would come nearer to being mutually exclusive than it is in the life insurance realm.

E. H. O'Connor, managing director of Insurance Economics Society, issued this statement:

"President Truman brought out all of the stock arguments in favor of compulsory health insurance schemes but had no original thoughts of his own to add. He came no nearer to proving that health insurance is an important factor leading toward better national health than have other proponents of these plans. He disclaimed socialized medicine in one breath and advocated it in another. He backed up his disclaimer with a self-designed definition of the term, but one much too narrow to be acceptable to the great body of American physicians and other supporters of true American democracy."

Aero Cuts Rates on Liability

(CONTINUED FROM PAGE 18)

should carry. It was suggested that in many cases the customers now insured can convert their present multiple limit policy into a single limit policy and have much greater protection for about the same premium.

Following are some examples showing the cost of liability insurance before and after the new reduction:

	Private	Commercial	
Public Liability, \$5/10,000			
Old cost	\$20.00	\$35.00	
New cost	10.00	15.00	
Property Damage, \$5,000			
Old cost	\$25.00	\$40.00	
New cost	12.50	17.50	
Passenger Liability, \$5,000			
Old cost	\$35.00	\$50.00*	\$100.00†
New cost	25.00	45.00*	75.00†
Two-place plane, \$5,000, single limit, new cost	42.50	\$70.00*	\$100.00†
Two-place plane, \$25,000, single limit, new cost	71.90	118.50*	169.50†

*Excluding passengers for hire. †Including passengers for hire.

Ask Mo. Compensation Increase

JEFFERSON CITY—A request for an increase in workmen's compensation rates, the first in 10 years, has been filed with the Missouri department by the National Council on Compensation Insurance.

It seeks an increase of 11.1% in pre-

miums for 1946. Missouri 1944 premiums were about \$12 million.

Knapp President of Chicago Managers Group

L. C. Knapp, manager Great American Indemnity, was elected president of the Chicago Association of Casualty & Surety Managers at the annual meeting there. Other officers are F. E. Runey, manager of Eagle Indemnity, vice-president, and Don Weiser, manager of Aetna Casualty, secretary.

The executive committee consists of Thomas E. Barton, Jr., manager of United States Casualty, the retiring president; K. O. Saunders, Globe Indemnity; W. O. Schilling, U. S. F. & G.; B. J. Nietschmann, National Surety; H. N. Douglass, New Amsterdam Casualty; H. A. McKenna, Phoenix Indemnity, and Spencer Welton, Massachusetts Bonding.

The complaint committee is made up of J. M. Fraser, London & Lancashire Indemnity; L. S. Jones, Ocean Accident; James White, Travelers; J. L. Maehle, American Surety, and J. P. Keever, Maryland Casualty.

The Insurance Women of Akron at their dinner meeting Tuesday heard Miss Bee Offinger of the "Beacon Journal."

American Casualty Group Expands Chicago Branch

American Casualty and American Aviation & General are expanding their branch office in the Insurance Exchange, Chicago, taking about 800 additional square feet of space. There has been great growth in the last year, much due to the new fire, aviation and inland marine running mate of American Casualty.

An indication of this enlargement is the appointment of Don Splinter, an experienced former army air force pilot, as special aviation representative to develop business in this line throughout the midwest. American A. & G. is buying a two-place plane for his use which soon will be delivered at Chicago.

Mr. Splinter formerly was connected with the Homer Gwinn & Co. agency in Chicago for several years, then with Accident & Casualty there for two years. Then he was an army flyer for about three years, seeing much service in the European theater. He operates under supervision of Henry C. Stoll, manager of the aviation, fire and inland marine departments and assistant manager of the branch, associated with A. A. Konitzer, resident vice-president.

Peter J. Bruno now is Cook county special agent. Formerly he was special

agent for the Loyalty group for 12 years. R. A. Metzler handles the fire department. He also has had long experience.

Mr. Stoll is observing his first anniversary with the American Casualty companies. Formerly for many years he was marine department manager for the Millers National home office.

N. Y. Credit Men Slate Q. & A. Forum in Insurance

The New York Credit Men's Association will hold a forum on insurance at the McAlpin hotel Nov. 27, following a dinner. It will consist of answer to questions which have been submitted by the members.

The panel of experts and the subjects they will cover are:

Burglary, Samuel Romolo, National Surety; casualty, Richard H. Tillotson, American Surety; credit insurance, Paul Farley, London Guarantee; fidelity, Nicholas Lewsen, U. S. F. & G.; fire, W. L. Falk, Royal-Liverpool; inland marine, S. Dwight Parker, Springfield F. & M.; business life, Stuart Monroe, Equitable Society, and surety, Ashby Taylor, Fidelity & Deposit.

The Aviation Insurance Agency, Dayton, O., has been incorporated by Philip C. Ebeling, Hazel Shank and Robert F. Baldwin.

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"Alcan" Engineer's Premium Base Includes Employees on Civil Service Status

Salaries of employees, with civil service status, whose work nevertheless is directed by a private contractor, constitute a base for determination of the premium for the contractor's P. I. and P. D. cover, the U. S. 9th circuit court of appeals decided in *C. F. Lytle Co., Inc. and Green Construction Co., vs. Hansen & Rowland, Inc.*, the Tacoma general agency. The policy provided that "the earned premium shall be computed at a rate of 85% per hundred of remuneration of all named insureds. . . . The word 'remuneration' shall mean the entire remuneration earned during the policy period by all employees of each and every named insured. . . ."

The Lytle and Green companies had the contract to construct 155 miles of the Alaska highway on a cost-plus-fixed-fee of \$67,200 basis.

Phoenix Indemnity Is Insurer

Public liability and property damage insurance was secured in Phoenix Indemnity through Hansen & Rowland, and was in effect from June 17, 1942 to Sept. 1, 1942.

Under a permissive clause of the contract, the public roads administration made an election to pay the 1,200 workers directly instead of through the contractors. To do this it was legally necessary to give them civil service status. This arrangement covered all contractor personnel except the contractors themselves and their immediate representatives, approximately 15 in all.

The problem, according to the appellate court, is whether these workers were in fact and law employees for whose faults the Lytle and Green companies would be liable. Such employees had to have their hiring and other changes in status approved, though not initiated, by government representatives. They were paid by government check. With respect to disability compensation, social security and overtime, the men were treated as government employees. It was some six months later that this arrangement was abandoned and individual hiring agreements made by the contractors.

The court stated that although the workers were in some sense government employees, in a very real way they were, in fact, employees as well of the contractors so that there was at the very least a high probability that the contractors would be chargeable with their faults. Consequently they were within the risk sought to be covered and covered by the policy.

The government's hiring and discharge powers constituted only a rubber stamping of employer-initiated action. In practice all recruiting was done by the contractors with government approval and discharges were handled similarly.

Location Limitation Construed

On another score, however, the court held against Hansen & Rowland. It held that the policy should have been construed as excluding premium liability for the major portion of the work which was performed outside the 155 miles of highway specified. Location limitations on insurance coverage were definite, should be given effect, the court stated. The lower court had held for Hansen & Rowland on this point, too. The cause was remanded for the taking of evidence on the controverted issues including the issue of whether some part of that section of the payroll representing wages of workers traveling to Alaska prior to assignment came within the premium base.

The judgment for Hansen & Rowland was \$16,153 plus interest and costs.

U. S. Attorneys Dennis of Seattle and Sager of Tacoma represented the contractors and Charles T. Peterson of Tacoma and James L. Conley of Portland, Ore., were attorneys for Hansen & Rowland.

American Fidelity Makes Two New Appointments

C. P. Thornton goes to the home office of American Fidelity, Montpelier, Vt., Dec. 1 to assist in the handling of underwriting and other inside problems. He goes from the Boston office of London & Lancashire Indemnity. He has been with that company nearly 20 years in Hartford and in Boston. He is a native of Amherst, Mass., and a graduate of Massachusetts State College.

Gilbert Clapp will be claim representative of the company in southern Vermont and southern New Hampshire, operating from Goffstown, N. H. Claims in northern Vermont and northern New Hampshire will be handled by William Heaton, who went with the company Nov. 1. H. Elliott Corning, former claims superintendent of American Fidelity, resigned effective Nov. 15.

Va. Boiler Inspection Urged

RICHMOND—Enactment of legislation to establish a state boiler inspection system is urged by the Virginia advisory legislative council in a report submitted to Governor Darden for transmission to the general assembly at its 1946 session.

Boiler inspection was the storm center of the 1944 session of the assembly. Several bills to regulate boilers and provide inspection systems were introduced but failed of passage.

State Senator Glenn Jordan of Richmond, chairman of the group which conducted the study and submitted the report, has been Richmond manager of Commercial Casualty for many years.

The council also submitted to the governor the draft of a bill embodying recommendations contained in the report.

High Court Takes Jurisdiction

WASHINGTON — The U. S. Supreme court will review decisions of South Dakota courts in *Commercial Travelers vs. Wolfe*. It granted a writ of certiorari, which insures a hearing. Involved is claim of Wolfe, assignee of claim based on Ford Shane's death from an idiosyncrasy to an anaesthetic, which Commercial Travelers asserted was not due to accidental, violent cause. Wolfe won a decision in the South Dakota supreme court.

No Tenn. Action on Cooperative

NASHVILLE—Although a speaker was permitted to discuss the possibilities of such an organization, the Tennessee Farm Bureau at its annual meeting here did not bring up for consideration the proposed southern states cooperative. However, a resolution was adopted asking for "a study of the possibilities for development of an adequate program of prepaid medical care and for hospitalization services for farm people and to establish a service of this kind if the results of the study justify action." There was some mention of a Tennessee farm mutual reinsurance company but the relation of the bureau to such an organization was not brought out.

James W. Brushwood, 49, vice-president of the Woodsmall Agency of Miami, died suddenly from cerebral hemorrhage in Washington and was buried in Miami.

Mr. Brushwood was well known in surety circles. For many years he was assistant to W. B. Joyce, president of National Surety, and later was executive vice-president and general manager of Consolidated Indemnity.

He went to Florida about five years ago. The Woodsmall Agency represents Seaboard Surety as state agent for Florida.

Paul J. Simmons, casualty department superintendent of Pennsylvania Casualty in Chicago, announced the birth of his eighth child at Hinsdale sanitarium. The baby weighs eight pounds and has been named Susan. She serves to strike a balance in the Simmons, as before her birth there were four boys and three girls.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Full Card Is Arranged for Indiana Meeting

The hour-by-hour schedule for the annual meeting of the Indiana Association of Insurance Agents at the Claypool Hotel, Indianapolis, Nov. 29-30 has been completed.

The first morning the gathering will be called to order by President Herman C. Wolff and after the invocation he will give his annual message. Guy T. Warfield, Baltimore, vice-president N.A.I.A., will give an address "Marching Forward Through Knowledge and Service," and then Hays MacFarland, president of MacFarland, Aveyard Co., the advertising agency of Chicago, will talk on "An Advertising Man Looks At the Insurance Business."

The final feature is "A Pattern for Peacetime Selling" in charge of Milton W. Mays, director of business development office, assisted by E. E. McLaren of Indianapolis; Glenn May of Spencer, Ind.; H. W. Mullins, National Fire, and Ralph W. Hill, Failing & Hill, general agents.

That afternoon there will be a business session and an informal discussion with Executive Secretary Harry E. McClain presiding. Special emphasis will be placed on planning for the coming year and officers and members of local boards, chairmen of standing committees and state association officers will act as discussion leaders.

That evening the banquet will be held with Mr. Wolff presiding and addresses are scheduled from Gov. Gates and Lt. Gov. James. The William C. Myers local board trophy and the H. C. Wolff local board award will be presented. The next morning there will be a breakfast for rural agents with Ray L. Strayer of Warsaw presiding and Rush W. Carter, assistant western manager of Aetna Fire as the speaker.

At the general sessions James C. O'Connor, editor of Fire, Casualty & Surety Bulletins will speak on "The Road Ahead"; Brennan Scott of Chicago, vice-president National Tax Equality Association, will give an address "Subsidized Competition"; and Edward C. Stone, U. S. manager of Employers Liability, will speak on "Public Law 15."

There will be a luncheon session with Commissioner Pearson of Indiana presiding, the speaker being Commissioner Sullivan of the state of Washington.

At the final session that afternoon Carlton I. Fisher, president Rhode Island Association of Insurance Agents, will talk on "We Must Be Vigilant," and C. T. Burg of Cleveland, vice-president in charge of sales of Iron Fireman Manufacturing Co., gives the final address on "The Three Bogeymen."

Faribault Regional Rally Nov. 27

Agents from a large part of southern Minnesota will attend an open house meeting of the Southern Minnesota Agents Regional Association at Faribault Nov. 27. The Southeastern Regional will also participate, and a number of field men are expected to attend.

Woodley Back at Toledo Plant

Don C. Woodley has received his honorable discharge from the navy after nearly three years of service, and has resumed his former position with Picton-Cavanaugh of Toledo.

He joined that agency in 1931. While in the navy he served for nine months in the south Pacific.

Insurance Courses Encouraged Under Illinois Plan

PEORIA, ILL.—A plan which enables local insurance groups to hold training courses by having the state board for vocational education pay two-thirds of the expense was outlined by John O. Burch, the board's assistant supervisor of distributive education, at a luncheon in connection with the Illinois Association of Life Underwriters mid-year meeting here.

The local group sponsoring the course outlines the curriculum, selects the instructor and submits its plans to the local high school superintendent or principal who in turn submits the program to the state board. The local school pays one-third the cost but this can be secured by charging the students. As approved expenses are incurred, the state board reimburses the local group two-thirds of the expenses, one-third of which comes from federal funds. In administering the system the state board leaves the details and objectives of the course entirely up to the local group.

Approve Reasonable Expense

Mr. Burch said the board recommends that the instructor come from the field and it will approve reasonable expenses based on prevailing fees paid in the community. Instructors outside the community can be brought in but their expenses must be included as part of their fees. Mr. Burch recommended that courses be held in offices instead of school buildings so as to get an informal atmosphere and that groups be held down to 12 to 15 so as to get away from the lecture type of classes.

Local school authorities are cooperative in establishing classes, Mr. Burch reported. The Rockford Association of Life Underwriters has held a course under the program. As local schools do not know what training courses are available it is desirable for the sponsoring group to secure the information and decide what its members want.

Toedman Returns to Kan. Agency from U. S. Service

Neil L. Toedman, local agent at Yates Center, Kan., who took leave of absence from his agency to serve as district manager of Kansas for the Office of Defense Transportation, has now returned to his business after 40 months of government service.

Mr. Toedman is now expanding his agency by opening another office in the Liberty Life building in Topeka, Kan. The Toedman agency specializes in transportation insurance. Mr. Toedman is an I.C.C. practitioner, and also editor of the "Mid-West Truckman," a trade publication dealing with motor transportation.

Mich. Veteran Plan Explained

GRAND RAPIDS, MICH.—W. O. Hildebrand, Lansing, secretary-manager of the Michigan Association of Insurance Agents, explained the association's program to assist veterans to enter the business under provisions of the G.I. bill of rights at a dinner meeting of the Grand Rapids association. The Grand Rapids Association of Life Underwriters also attended the affair.

Mr. Hildebrand stated that the Michigan program, approved by Dr. Eugene B. Elliott, superintendent of public instruction, has been used as a model for some other states and also for some other industries. Under its provisions,

returning veterans are able to learn the elements of agency practice, under careful supervision, while drawing federal educational benefits to augment their apprentice salaries from the agency. The insurance department, Mr. Hildebrand explained, has been cooperating fully with the association by providing special licenses for novice agents and helping to furnish material for their instruction.

New Iowa President Popular Executive

Howard C. Burleson of Cedar Rapids, the new president of the Iowa Association of Insurance Agents, was elected vice-president of the association during the year by the executive committee. He made a decided hit with members at the annual convention when he indicated that there would be vigorous support for the plan to employ a full time secretary, and for changes in the dues setup which will be necessary to achieve that objective. Building membership is one of the keystones of the plan. Mr. Burleson is a popular association executive and much is expected to be accomplished by the organization during his administration.



H. C. Burleson

President Burleson has announced the appointment of four new district directors and the reappointment of eight by the old and new executive committees following the annual meeting at Davenport. New directors are: C. J. Mathieson, Estherville; Emmett Stenger, Davenport; Sherwood Bell, Marshalltown; and Edwin Engquist, Red Oak. Those reappointed are: Lee M. Miller, Cherokee; A. R. Melrose, Charles City; E. L. Lane, Independence; E. G. Trost, Fort Dodge; R. S. Andrews, Sioux City; Frank P. Clarke, Mt. Ayr; Lyman T. Evans, Fairfield; and Vernon R. McKay, Keokuk.

Set Wichita Christmas Party

The Christmas party of the Wichita Association of Insurance Agents will be held Dec. 20. Guests will include field men and adjusters and their office staffs, in addition to the staffs of the member agencies and public officials, who are always invited. Dr. Kenneth McFarland, superintendent of schools of Topeka, who made a hit as banquet speaker at the recent Kansas convention in Topeka, will speak.

The bank-agent auto plan sound film was shown Nov. 21, and reports on the N.A.I.A. and Kansas conventions will be given.

Fire School at Kansas City

The first session of a 6-month course for the Kansas City, Mo., fire chiefs and captains was addressed by Emmett Cox, Western Actuarial bureau, Chicago.

A new problem in the protection of firemen has arisen, Mr. Cox said, because some plastics used in building material throw off poisonous gases when blazing. Fire departments' gas masks in many cases have become obsolete, he said.

American Auto Men Return

CINCINNATI—In one week seven men returned from the armed services to take up their positions in the Ohio department office of American Automobile here. They are C. Dabbalt, S. Sullivan, J. H. Baer, R. Berting, L. Eurtion, J. S. Borie and E. Tapke.

C. H. Sanders, resident vice-president, has a well organized refresher school

for returning employees. The office had 40 in the service. The school meets from 1 to 4 p. m. each afternoon for two months. Department heads conduct the training.

Three employees of this office lost their lives in the war. J. Taurman was with the famous torpedo Squadron 8 which was lost at Midway. H. Walters, marine private, lost his life at Saipan. Sgt. T. McLaughlin was with the marines and had his plane shot down over Truk.

Linnevold Heads Ia. Mutuals

William Linnevold of Decorah was elected president of the Iowa Association of Mutual Insurance Associations at the annual convention in Des Moines. W. P. Moeller, Rock Rapids, was named vice-president and H. L. Gross, Des Moines, was elected to his 15th term as secretary-treasurer.

Directors of the Iowa Association of Mutual Insurance Agents have scheduled their annual convention for April 8 at Des Moines.

McAuliffe to Speak in Milwaukee

MILWAUKEE—A refresher course for industrial plant fire brigade members and key employees responsible for fire protection will feature the 1945 fire prevention school of the Milwaukee Association of Commerce. Frank C. McAuliffe, chief Chicago Fire Insurance Patrol, will speak on "Experiences Abroad With U. S. Strategic Bombing Survey."

Cleveland Bank-Agent Plan

CLEVELAND—At a meeting of the Insurance Board of Cleveland, Nov. 26, H. G. Eberle of Aetna Casualty will discuss the new film, "The Bank and Agent Plan in Action." An outline of the proposed bank-agent plan for Cleveland will be presented with a resolution for its approval.

St. Paul Board Meets Dec. 5

ST. PAUL—The quarterly meeting of the St. Paul Association of Insurance Agents will be held Dec. 5. A report on proposed changes in by-laws will be made by Leroy Engberg. The association reports an enrollment of more than 40 in the course on liability and compensation insurance now being conducted.

Self-Insurance Plan Rejected

WAUKESHA, WIS.—Another attempt by E. J. Evert, Pewaukee member of the Waukesha county board of supervisors, to have the county cancel commercial insurance coverages and set up a \$50,000 contingent fund was rejected 31 to 18.

Rockford, Ill., Agents Elect

Officers have been elected by the Rockford Association of Insurance Agents at the annual meeting. They are: President, Dwight Manny; vice-president, E. F. Crawford; secretary, K. A. Groff; treasurer, Andrew J. Pozzi.

Pat Cosgriff with Father

Pat Cosgriff, son of Ed. P. Cosgriff, Fargo, N. D., general agent, has been discharged from the army, after serving 40 months in the southwest Pacific with the 5th air force. He is now a junior partner in the agency.

\$25,000 of Septic Tanks Burn

The Murphy & Walsh Co. at Pekin, Ill., suffered a \$25,000 loss to building, machinery and stock in a fire there. The company manufactures septic tanks.

Jones Claims Service Resumes

James W. Jones has been discharged from service and is again operating as Jones Claims Service in Cleveland. He has been in insurance adjustment and

investigation work since 1925 until he entered the army two years back. He spent eight months in war crimes investigation work in Germany and other countries of central Europe.

His partner, Jerry F. Karasek, is still in the army, stationed in France, and is expected back by next spring.

Lynn Kidd Returns to Brazil

Maj. Lynn Kidd has returned from service overseas with the army air force to resume operation of the Kidd Insurance Agencies, Brazil, Ind. During his absence the office was in charge of Harry Payne.

Larsen Vice-president of Mutual

Marinus Larsen of Hamlin, Ia., a director of Iowa Mutual Tornado, was elected vice-president to succeed the late F. K. Hawley of Laurens. D. D. Paxson, Algona, was named on the board.

NEWS BRIEFS

Lt. Earl Loose will get his discharge from the navy in the next two weeks and will return to his former position as field supervisor for the Fred L. Gray Co., Minneapolis.

Ivan Anton has returned to head his agency in Des Moines after serving two years in the navy. The agency has been operated by Grant A. Rystad during his absence.

R. H. Bancroft, secretary of St. Paul F. & M., was in Wichita last week, visiting the Dulaney, Johnston & Priest agency and State Agents W. S. Gibbons and George E. Freese.

A. B. Bell of the Bellg, Ellison, Rossler adjustment office, Toledo, addressed the Lucas County Insurance Board.

The Kansas City Association of Insurance Women held a dinner meeting on Monday evening. Miss Lura Middaugh, court reporter, spoke on "How Do We Look."

Miss Esther Lee, director of the home economics department of the Union Electric Co. spoke at the November meeting of the Insurance Women of St. Louis.

SOUTH

Calls Program Bank, Agent and Dealer Plan

The bank-agent auto plan is a real threat to the business of the finance company but it is not, everything considered, a disadvantage to the dealer, Douglas Henson, automobile underwriter for Hartford Fire in the southern department, declared at a meeting of bankers and agents at Houston.

Mr. Henson urged that the bank-agent program be presented to the dealer in the proper light. He declares that every effort should be made to avoid erecting a hostile barrier between the dealer on the one hand and the banks and insurance interests on the other.

The finance companies, he said, fear the bank-agent program and it is part of their tactics to try to indoctrinate the dealers with their fear. The banks and insurance people should tell their story coherently to the dealer.

The finance man tells the dealer that the bank-agent plan robs the dealer of his profitable reserve account and if the bank-agent plan succeeds the poor character of remaining time sales will make it impossible for the dealer to secure finance facilities.

That, Mr. Henson characterized as silly. Even before the war, he pointed out, dealer finance companies had dropped their charge to the public in some areas to 4½% discount. There is no reserve profit for the dealer in an interest charge of that kind.

The profit for the dealer reserve account comes, he said, not from the high grade new car financing, but from the

better class of used car time sales, and it is the new car in which the banker is interested. The dealer gets his money from the finance company at the same rate of interest whether for new cars or used, but the dealer's charge to the car buyer is considerably higher for a used car. Even the lowest class of used car time sales can be profitable to the dealer reserve account and the dealer is not destroyed.

The finance company may be lending money at about 6% to the dealer which they have secured from the local banker at rates ranging from 1 to 2½%. One new car loan to the finance company means more money loaned than two used car loans and hence the bank-agent plan hits them where it hurts. The high grade new car loan is a major part of their banking profit and the bank-agent people are after it with all the skill at their command. The business that will produce the profit in the dealer reserve account in the future does not interest the local banker and insurance man.

Porter Named Manager of Arkansas Association

LITTLE ROCK — Robert Maxwell, president Arkansas Association of Insurance Agents, has announced the appointment of A. W. Porter, who has been business manager of the University of Arkansas athletic department since 1941, as the new manager of the association, succeeding Henry A. Ritgerod, who resigned on Aug. 15 to become associated with a Little Rock general agency. Mr. Porter will take over Nov. 27, following close of the university's football season.

Mr. Porter is also executive secretary of the University Alumni Association. He is a veteran of the first world war and spent 14 months in France. His work at the university included some specialized projects in insurance matters. He was for 12 years sports editor of the "Southwest American" in Fort Smith.

He attended the N.A.I.A. meeting in Chicago with President Maxwell and Van Howell, state national director, contacting the secretaries and managers of other associations and becoming a member of the Association Executives Conference. He will be introduced to the Arkansas association at the mid-year meeting in Little Rock, Dec. 10.

State Officials, Association Executives at N. C. Regionals

RALEIGH, N. C.—Regional meetings of the North Carolina Association of Insurance Agents have just been held throughout the state.

Speakers included Commissioner Hodges, who discussed the new insurance rating bureau; John F. Fletcher, manager compensation and automobile rate adjustment bureau, who said liability rates on passenger cars in North Carolina probably will be changed around Jan. 1; Landon Hill, manager of the North Carolina fire insurance rating bureau, which begins operations Dec. 1; Ernest F. Young of Charlotte, president of the state association, who discussed preliminary plans for a one-week insurance school at the University of North Carolina in February, open to all member agents and their employees, and to stock company representatives and returned veterans; Milton Best, Fremont, vice-president of the state association; S. G. Otstot, executive secretary; Fred Chambers and Frank Adkins of the insurance department.

Birmingham General Agency Is Now Knox & Smith

The title of the C. K. Knox & Son general agency of Birmingham has been changed to Knox & Smith, with Maj. P. W. Smith becoming a partner.

Maj. Smith has been discharged from the army after 3½ years of service. He is a graduate of Virginia Military Institute, was for 7½ years with the engineering department of Southeastern

Underwriters Association and was for six years a field man of National Fire.

Charge Alteration of Policies

BIRMINGHAM—The Lynn McPherson Warehouse Co., Oneonta, Ala., was charged with fraudulently changing the date of insurance policies covering the loss of cotton in a warehouse fire May 8 of this year in a suit filed in federal court here by the Continental, London & Lancashire, National Fire, Piedmont Fire, and United States Fire.

The companies charge that the policies were dated back to make it appear that they were issued before the fire. Actually, the plaintiffs claim, the policies were issued after the fire had occurred.

The court is asked to order the policies canceled. Owners of the cotton that was stored in the warehouse who are seeking compensation for the loss were also named as defendants. However, they were not named as being involved in allegedly altering the date of the policies.

Pine Bluff Bank-Agent Parley

PINE BLUFF, ARK.—Local agents and bankers here at their second joint meeting recently to discuss the bank-agent auto plan, which will include all local banks and all local agents, viewed the film, "The Bank and Agent Auto Plan in Action," after which C. S. McNew, Jr., past president of the Arkansas Association of Insurance Agents, and John Means, executive committeeman, presented a previously prepared joint advertising and publicity schedule.

Seek New Airport Insurance Bids

NASHVILLE—The city of Nashville has called for new bids on fire and extended coverage for its properties at Berry Field, valued at \$279,000, when four agencies making the same low bids of 74.7 cents per \$100 valuation on fire and 11.7 cents on extended coverage withdrew their bids and offered bids of 75 cents and 12 cents respectively, the same that 19 other agencies had bid. Nov. 27 is the closing date for the new bids.

Tenn. Rating Deadline Dec. 1

NASHVILLE — Although Tennessee's new rating laws, both fire and casualty, became effective Sept. 1, a deadline of Dec. 1st was allowed all companies in filing their rating plans

and rates. The insurance department reports that these filings have been coming in steadily since Sept. 1 but that due to the impossibility of making the necessary complete examination of each for approval, only temporary approval is being given for the effective date of Dec. 1st. Final action on each will come as the department has time to examine them properly. Currey Sanders, formerly head of the workmen's compensation division, is now in charge of the rating plan filing.

Joint Meeting in Little Rock

LITTLE ROCK—In a joint meeting sponsored by the Greater Little Rock Insurance Exchange, bankers and insurance agents viewed the film, "The Bank and Agent Auto Plan in Action." The finance accounts committee has been working with representatives of three of greater Little Rock's five banks who will participate in the plan. Most of the details of operation are completed.

Apartment Loss in Atlanta

ATLANTA—Fire destroyed 15 apartments in the LaSalle Court 20-unit structure here, with a loss estimated at \$65,000, according to the Lipscomb-Ellis Company, which managed the apartment house.

Honor Hartford 25-Year Men

ATLANTA—Employees of Hartford Fire who have been with the company 25 years were honored at a dinner here. H. M. Holland, special agent at Shreveport, La., was presented a 25-year pin by H. G. Hunter, Charlotte, N. C., senior special agent in the club. W. R. Prescott of Atlanta, manager of the southern department, spoke.

NEWS BRIEFS

After 42 months in the service Ralph Neely has been discharged from the Navy, and has rejoined The F. Wiley Ball Co. general agency of Standard Accident at Oklahoma City.

Charles B. Shelton, Jr., who has spent some years in the army with rank of captain, has returned to Atlanta and is now with Draper-Owens Co. in its insurance department.

An explanation of the move for state regulation of rates on bonds and the different types of bonds was presented by Travis Bailey of Lytle W. Gosling & Co. to the San Antonio Insurance Women.

PACIFIC COAST AND MOUNTAIN

Washington State Discontinuing Much Insurance

SEATTLE—The state of Washington is discontinuing its past policy of carrying fire insurance on many of its properties, including the highly-valued stocks of the monopolistic state liquor board, the state administrative board announced. This board, which consists of the governor, state treasurer and director of finance and budget, announced an eight-point program affecting all types of insurance and surety bonds carried by the state. Some types of coverage are being continued, but fire is not recommended and existing policies will not be renewed.

The liquor board fire line of several million dollars was awarded on both stores and warehouse stocks effective Oct. 1. Companies on the line were told this week that the state was contemplating canceling the coverage on a short rate basis. The companies have binders on the line, new forms not yet having been completed.

It was reliably reported Admiral Gregory, board chairman, protested the decision as to liquor board coverage, being strongly in favor of continuing the

board's past policy of carrying adequate insurance. Some sources said that the administrative board favored carrying insurance where high values are concentrated. One figure mentioned a minimum of \$500,000 as the amount of value which would be insured.

The liquor cover has presented a serious problem involving adequate capacity on the board's warehouses. A provisional form with a limit of \$22,290,000, covering 21 warehouse locations (the pier 14 warehouse at Seattle had a top limit of \$4,970,000), has been a difficult line to place. Realizing this fact, the state specified in its last call for bids that quotations on the warehouse and stores schedule would have to be made on the same percentage for both lines. The store line, covering a large number of stores and sales agencies scattered throughout the state, is considered attractive business from an underwriting standpoint. Even on this basis, only 99½% of both lines was absorbed at the bid opening and subsequently one office agreed to increase its capacity to complete the cover.

Problem Being Studied

Many state institutions carry fire insurance but some do not. Rogan Jones, who retires Dec. 1 as director of finance, budget and business, announced recently the administrative board was studying the state's entire insurance program and indicated there was inconsistency in in-

suring so others.

The board fidelity cover a blanket mobile B.

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sure some properties and not on others.

The board will review every item of fidelity coverage. The state now carries a blanket bond on all employees. Automobile B.I. and P.D. \$10/20,000 and \$5,000 limits now are carried and were recommended. The present boiler insurance will not be renewed, but the state will rely on boiler inspection. Existing employers' liability policies will not be renewed upon expiration. It was recommended that all state employees be protected by the monopolistic state workmen's compensation. Miscellaneous covers such as forgery, public liability on stationary and floating property, plate glass, also will not be renewed.

An interesting decision in light of the state's experience in collecting a liberal \$4 million loss on the Tacoma Narrows bridge, is the decision that "whenever State Toll Bridge Authority or any other agencies borrow money and the lender requires insurance, it is recommended that the board allow such agency full discretion."

"Advisory Committees" Barred

OLYMPIA, WASH.—County commissioners have no authority to set up an advisory insurance committee whose members serve for a period longer than that of the commissioners and who receive as "salary" the writing of county insurance, Attorney General Troy has notified State Auditor Yelle.

Yelle said Spokane county commissioners had passed a resolution establishing a committee whose members are appointed for one, two, and three years. The compensation is the allocation to each member of a \$50,000 fire insurance policy each year.

Since the county commissioners are elected for a rotating short term of two years, some of the appointments would hold over beyond the entire board's term. Such a resolution is not binding on future boards and is void under a statute forbidding the giving of any benefit that does not appear on the face of an insurance policy, he held.

Form Abbott, Davis & Trumbull

SAN FRANCISCO—S. C. Abbott and A. L. Davis of the metropolitan department of Hartford Fire and Hartford Accident have resigned to form a new real estate, insurance and loan firm of Abbott, Davis & Trumbull. Mr. Abbott, with 26 years service, has been manager of the metropolitan fire department, and Mr. Davis special agent for Hartford Accident.

A. L. Trumbull leaves the loan department of Equitable Society to join the new firm.

Thomas E. Green has been appointed to succeed Mr. Abbott as manager of the fire department of Hartford Fire.

Blanket Club Sponsors Course

The Seattle Blanket Club, young men's insurance organization, was revived at a dinner meeting, following suspension of its activities during the war. With Tom Telfer of D. K. MacDonald & Co. as chairman, it was decided to undertake sponsorship of the N.A.I.A. educational course. This action was taken at the suggestion of A. W. White, president of the Washington Association of Insurance Agents and a past president of the club.

Cooper Tells of Salvage Work

How several hundred tons of grain were reconditioned and salvaged was explained to members of the Fire Underwriters Forum of San Francisco by W. O. Cooper, general agent of Underwriters Salvage. He illustrated his talk with motion pictures, and also outlined the scope of the services rendered insurance companies by the salvage organization.

Sullivan Is Forum Speaker

LOS ANGELES—A. L. Sullivan, marine manager of North America, addressed the Insurance Forum of Los Angeles on ocean marine insurance. He spent a number of years in the Orient.

Walter Bennett announced the formation of a study group to start immediately in preparation for the C.P.C.U. examinations next June.

Fresno Adjusting Firm

William A. Bartlett, who resigned recently as western manager of Halifax at Chicago, and Winfield F. Bartlett, who has been with the Fire Companies Adjustment Bureau at Fresno, Cal., have organized the general insurance adjusting firm of Bartlett & Bartlett with offices in the Brix building, Fresno.

Carmichael Billings Speaker

BILLINGS, MONT.—The services offered by capital stock fire companies were reviewed by J. R. Carmichael, special agent for Deans & Homer of San Francisco at a meeting of the Billings Insurance Association.

Bank-Agent Film in Tacoma

"The Bank and Agent Auto Plan in Action" film was shown at a dinner meeting of the Pierce County (Tacoma) Association of Insurance Agents. A number of Tacoma bankers attended.

Montana Hail Fund Losses

Losses paid during the past season by the Montana state hail insurance board totaled \$301,172. This was an average of \$788 per claim.

NEWS BRIEFS

Theodore Wendelin addressed the dinner meeting of the Insurance Women of Denver Monday on the bank-agent auto plan.

The Insurance Women of Los Angeles will hold the annual bosses' night Dec. 18.

EAST

Thos. E. Sears, Jr. Returns

Capt. Thomas E. Sears, Jr., has been honorably discharged from the army and has returned as vice-president of Thomas E. Sears, Inc., Boston.

Capt. Sears served with the chemical warfare service 3½ years. For three years he was safety director at Rocky Mountain Arsenal, Denver, and during this period the accident experience there was among the best of the chemical warfare service arsenals.

While in Denver, Capt. Sears served a term as president of the Colorado Society of Safety Engineers.

Pittsburgh C. P. C. U. Study Group

The Pittsburgh C.P.C.U. study group of 20 has been holding regular Monday evening sessions twice each month at the Keystone Hotel. Jet Parker, resident vice-president of American Automobile acts as general chairman at all meetings.

For each meeting the group selects a leader who is called upon to give an answer to any difficult question that arises. The leader for Dec. 3 will be Frank V. Fedell, Fire Companies Adjustment Bureau, at which time the study of "Use and Occupancy" will be taken up.

MOTOR

Tenn. Auto Dealers Denied Licenses as Agents; Will Appeal

NASHVILLE—J. J. Hooker, attorney for 104 Tennessee automobile dealers seeking licenses as agents for Motors of New York, has announced that the present petition in circuit court for a review of Commissioner McCormack's refusal to grant licenses to these dealers

would be withdrawn but that a new petition would be filed.

McCormack has again refused to license the dealers, holding the Motors Insurance Corporation plan in violation of Tennessee laws and against the public policy of the state. Inasmuch as only General Motors dealers can act as Motors Insurance Corporation agents, "it would appear that control exercised by General Motors Corporation over the agents of Motors Insurance Corporation would tend to violate the anti-trust law and would create a monopoly," his ruling said.

Commission Really "Subsidy"

He added that apparently the plan "is not to appoint agents for the purpose of acting as bona fide agents, but only for the purpose of being subsidized with the payment of a commission for which they render no service." In regard to the General Motors plan of switching its business from General Exchange to Motors he said the only essential difference is that the new plan increases the cost of the insurance 33½% and passes this increased cost over to the automobile dealer; "also that the presumption from the record is that payment of commission is more for the favor of securing a larger volume of G.M.A.C. business than for any essential insurance services rendered Motors Insurance Corporation."

Considerable bitterness was injected into the hearing by the presence as an attorney for the applicants of Harry S. Avery, on leave of absence as a special representative of the National Board of Fire Underwriters.

Bank-Agent Plan Is Perfected at Washington

WASHINGTON — Organization of the bank and agent plan here is reported completed and ready for business, with four banks in on it: Second National,

National of Washington, National Savings & Trust and McLachlan Banking Corp.

Albert J. Phillips is chairman of a joint committee on the plan, in which several local groups are represented. Other members include Guy Mann, representing Insurance Managers Association, and "Hub" Quinter, of H. L. Rust & Co.

Some banks, which have insurance departments or affiliations of their own, are not participating in the plan.

An advertising program is projected and agents will notify clients that the agents are in position to finance and insure purchase of new cars.

Increase in Auto Thefts, Burnings

NEW YORK—There has been a noticeable increase in thefts and burnings of automobiles in recent months and there are several ways in which loss men help in the effort to nab thieves at the earliest possible moment, Harry M. Shedd, director of the Automobile Underwriters Detective Bureau, told members of the Automobile Claims Association.

Mr. Shedd pointed out that tire thefts during the wartime shortage had never reached the proportions it was feared they would and he expressed the hope that the same would be true of the fire and theft toll. To promote quick recoveries of stolen cars, Mr. Shedd asked greater cooperation in the prompt reporting of thefts. Reports should be made by telephone if possible, giving serial and motor numbers, place of theft, and name of the insured.

Expenses of recovery have risen sharply, about three times what they were before the war. This is due not only to higher costs but to the greater amount of stealing of cars for transport-

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tation. Many New York cars are recovered in the west and south. Prompt reporting of thefts means a better chance to recover such cars before they have gone far enough to entail a big charge for getting them back. Quick reports also increase the chance of catching the thieves before they have abandoned or sold the cars.

Mr. Shedd also mentioned the importance of reporting recoveries promptly. Otherwise a car that is back in its owner's hands stays on the police lists. He urged the prompt reporting of all sales of salvage, as this is one of the thieves' favorite devices for getting a legitimate set of serial numbers to transfer to a stolen car.

Exporting of stolen cars is likely to increase and there is need, Mr. Shedd said, for a law that would impose a penalty for making a false declaration of serial numbers in shipping documents.

Lester Lloyd, Pacific Fire, chairman of the theft committee, said that the question of a light, buzzer or other device to warn a driver that he had left his ignition key in the lock after turning it off had been taken up with General Motors. The latter has been considering this problem and has the matter in the hands of its engineers. The chief difficulty is what to do about the key when the car is left in a public garage or parking lot and must be left so it can be moved around by the attendant.

Donald R. Roberts, American, association president, led the discussion of four situations involving claims: (1) A car is stolen in New York, recovered in Philadelphia. Meanwhile, the owner moves to California. Where must the car be returned? (2) Does the comprehensive policy cover damage to a car resulting from the explosion of a greatly overinflated tire? (3) If the insured car carries two spares and both are stolen, should both be replaced? (4) The insured leaves a flat tire at a garage overnight to be fixed. The garage burns down. Is the tire covered under the car's fire policy?

MARINE

C. I. F. or F. O. B. Is the Big Issue

WASHINGTON—Having received no encouragement from the State Department, it is said, on their proposal that marine insurance on United States exports, government-financed, be placed in this country, American marine insurance interests are reported to have sought at least sympathetic treatment at the capitol. While not asking legislation to meet their request, they have

approached the House committee on post-war economic policy on the subject. Their suggestion in that direction is understood to have been that the committee should touch upon their problem in a report to Congress and point to its importance.

A delegation of marine underwriters, including Percy Chubb and Henry Reed, is reported to have conferred recently with representatives of the House committee. Rep. Colmer, Mississippi, committee chairman, however, says he has seen so many people in connection with its work that he does not recall the marine insurance delegation, which is understood to have included a number of top men in the industry.

The question is whether government-financed exports shall be c.i.f. or f.o.b. If the former, American marine interests would get a look in on the insurance coverage. If the latter, the foreign purchaser would place the insurance where he or it pleases. In the case of a recent government loan to Denmark and exports under it, the rule is f.o.b.

At the State Department it is indicated that foreign governments may be within rights in demanding the f.o.b. basis. Proceeds of the proposed loan to Britain of \$4 or \$5 billion would be used abroad principally in transactions within the British Empire, it is said, so there would be comparatively little marine insurance on British purchases here for export.

Assistant Secretary of State Will Clayton, who handles economic problems in administration of foreign affairs, was interested in Export Insurance Co.

Rejoins Commercial Standard

Robert Hartman, recently discharged from the army, is now with Commercial Standard as an inland marine underwriter. He originally joined the organization in 1936 as junior underwriter. He has been a captain in the quartermaster corps.

Several Midwest Fire Losses

The Maas Brothers women's apparel store at 528 South Saginaw street, Flint, Mich., was virtually destroyed by fire that started from an attempt to dispose of a box of excelsior by burning it in the furnace. A large box of the inflammable material became ignited and flames swept up the basement stairway into the main section of the store. Damage to stock and fixtures was estimated at \$175,000. There was a heavy loss on the building, and two adjacent stores, Neisner Brothers, and the F. and W. Grand Silver shop, had smoke and water damage.

The William Taylor dry goods store at 631 Prospect, Cleveland, sustained a \$50,000 fire loss, covered mostly in the mutuels.

The Sauder Woodworking Co. plant at Archbold, O., partially burned with a 90% loss on \$76,800 of insurance.

Ohio Educational Conference Held

(CONTINUED FROM PAGE 3)

show the use of the insured car. The statement would not relate to coverage, but would show the use of the car and would meet the objection of some agents to getting a statement from A-1 risks.

Mr. Spottke pointed to the continued broadening of the automobile policy, comparing the broad coverage offered to the insured and his family today with that of some years ago. Ever since the standard automobile liability policy was devised, companies have been concerned with the problem of producing a policy which at the price it is offered gives coverage as complete as possible. While there are still some exclusions, they have been largely reduced to cover situations for which other coverage is available.

The age element has been more discussed than any other factor. Operators under 25 are more prone to have acci-

dents. Adult drivers are also not so apt to exceed the 7,500 mile requirement for A-1 rate classification.

G. W. Nagel, assistant dean and acting head division of business administration, University of Dayton, extended a welcome as host. T. A. Makley was conference committee chairman. W. E. Stauffer was toastmaster.

Enactment of more positive control over or review of rates than now exists, particularly in the casualty lines, is the part of wisdom in every state, according to J. Wayne Ley, secretary of the business college of Ohio State University, who addressed the Fire & Casualty Insurance Conference at Dayton.

To the extent that the legislatures strengthen and the insurance departments enforce anti-discrimination and rebate statutes, he said, the fear is reduced that the federal government will step in and proceed under either the Clayton or federal trade commission acts. Also with the strengthening of state supervision there will be no reason for Congress to enact any insurance regulatory measures.

Strengthening of state insurance supervision should include administrative improvements and the de-emphasis of political influence in the appointment of commissioners. He suggested that the insurance commissioners be appointed for terms of not less than six years.

Mr. Ley cautioned insurance people to soft pedal the type of competition in which one element of the business speaks in derogatory terms of another. The greatest fault of the insurance business, he declared, "is its persistence in arguing and airing in the public print your differing philosophies of the organizational structure." One element charges that what the other has to sell is unsafe and the latter charges the former with being a "profit gouger." Such competitive tactics may very well cause the public to believe that there is something wrong and hence be in favor of additional control.

Mr. Ley called upon insurance men to exert their influence in behalf of returning controls over business to Congress, which is responsible to the public and sympathetic to a system of free enterprise with a minimum of regulations. If there is a return to sanity in government the insurance business should not have much to fear provided it is willing to make modifications in its practices that are in the public interest.

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